CONTENTS

EDITORIAL

GALI EINAV

Regulating digital television: Trials and tribulations

The new Millennium has introduced an accelerated pace of change to the television industry brought by an abundance of digital devices. New forms of video distribution over laptops, mobile devices and digital screens have created the need to re think multiple aspects of the media business (Noam 2009) The rise of online video distribution is allowing viewers to become platform agnostic, consuming video over multiple devices, free from scheduling or geographical constraints. New Internet-based, digital content aggregators such as YouTube, Netflix and Amazon have overtaken legacy broadcast and cable networks in audience size (Sandvine 2014). From modest beginnings, these digital players are now producing award-winning, professionally produced TV series and films. These are delivered 'Over the Top' (OTT) directly to consumers via the Internet, bypassing traditional content provider infrastructure such as cable or satellite. The viewing experience is being personalized, adapting to the expectations of the constantly connected consumer (Steel 2015).

This special issue aims to investigate to what extent digital television can and should be regulated in this era of disruption. To do this, it is imperative to examine the potential impact of regulatory change on traditional providers, content producers and distribution models. The transition to digital television has been technologically driven with the primary interest of freeing radio spectrum for more advanced telecommunication technologies (Noll 2009). Many times, not enough thought is given to the ramifications on the local media and cultural ecosystem. Permitting unregulated entry of new players can result in economic ramifications for incumbent providers, therefore an

argument can be made that pro-competitive government initiated policies are essential for this industry's economic success. (Waterman et al. 2013).

Implications on content production are significant. Digital television has the potential to create new voices to be heard by large audiences (Hart 2009). However, algorithms utilized by OTT providers such as Netflix and Amazon that track viewing preferences to recommend and promote a personalized viewing experience may result in exposure to a limited variety of content (Carr 2013). The regulatory challenge is to encourage greater consumer choice without jeopardizing the underlying economic model. The question is how can that goal be achieved; should the new OTT networks adhere to the same regulatory framework as their cable and satellite peers or should the playing field transform completely? Who should absorb production costs for original content, the 'pipe' or content provider? How can existing providers keep up with the changes and maintain their audiences in a world of growing ~~choices~~ for the consumer? How do political and business interests impact the discussion and adoption of digital television regulation? What is the role of public broadcasting in this changing landscape?

In this context, a regulatory regime that categorizes 'television' as a single, monolithic industry, without distinction ~~for~~ distribution platform, has come under scrutiny. For example, reallocating existing broadband spectrum for digital distribution platforms can be depicted as either consumer friendly or anti-competitive, depending on the perspective of the industry advocate. In this high-stakes, zero-sum scenario, regulation has the potential to fundamentally alter the breadth, cost and modality of television. The difficult task is in understanding the unexpected consequences of regulation in pursuit of desired outcomes. As technology precedes regulation, it is instructive to consider actual examples of media reform in specific countries and the impact of regulation on achieving greater breadth and depth of media.

This special issue aims at surfacing issues pertaining to the complex themes of regulation of digital television. Building on case studies from countries addressing similar issues and proposing solutions that resonate within their own unique political, economic and cultural realities, its goal is to provide a comparative perspective of this ongoing discussion.

The first three articles present case studies focused on managing regulatory issues pertaining to the adoption of digital television.

Undrah Baasanjav argues that the transition to digital television in Mongolia was mostly technologically driven without a clear understanding of the media environment. He discusses the challenges television stations in Mongolia face in terms of the audio-visual market and policies following the digital switchover in 2010. He describes the Mongolian media market's structural constraints as typical to those in small media states. This includes an unsustainable number of politically affiliated commercial television stations and the remnants of socialist institutional routines in media organizations. The study also explores the state of public interest media services and opportunities due to the increasing convergence of television with the Internet.

Indrek Ibrus, describes how Estonia has been dealing with the implementation of the Digital Single Market Strategy initiated by the EU and, in particular, updating its Audiovisual Media Services Directive. The article demonstrates how Estonia is challenged by the need to develop its positions with regard to the complex processes at the EU level. It describes the complexities of developing media policy in a country where different government institutions are shaped by different ideological frameworks, and therefore have

different policy goals; and how cultural policy goals tend to be sacrificed when they are in conflict with various techno-economic imperatives. The article raises an interesting question of how much freedom Estonia has to design its own national media system.

Amit Schejter and Noam Tirosh provide an insider's view of a member expert committee appointed by the Israeli Minister of Communication to propose a regulatory framework for the future of commercial television (broadcast and cable) in preparation for the introduction of OTT audio-visual services. The authors describe the process influencing the committee's final report. By comparing between the committee's interim report and its final report, they shed light on the way regulation is designed in an era of transition and provide observations as to how, if at all, the reactions of different industry players influenced the work of public servants. The article provides insights on the process of developing recommendations for a new regulatory landscape that may guide policy-makers elsewhere to identify potential dilemmas.

The next three articles look at the digital switch over impact on the consumer. Andy Fox and Bianca Mitu examine how a public service broadcaster, the BBC, delivers news content to its audience across multiple media platforms and builds its audience on a platform by platform basis. The researchers compare news outputs on the three platforms offered by the BBC – web, television and radio. Building on a sample of top stories compiled in early 2015, they suggest that, editorially, news outputs are not shared across the three platforms the BBC employs, radio, television and the web. They conclude that convergence has not developed so fully that there is one news editor driving the agenda of the day across all three platforms. These are important insights for decision makers trying to expand their audiences in the digital age.

Mercedes Medina, Mónica Herrero and Cristina Etayo consider the impact of digital terrestrial television (DTT), and its introduction of additional television channels on willingness to pay for TV in Spain. The article analyses the influence of socio-demographic variables on the subscription to television services before and after the full implementation of DTT. The researchers conclude that the DTT offer is not enough to satisfy audience willingness to watch television as viewers prefer to pay to sought after content.

Débora Medeiros provides an interesting look into the future of public broadcasting in the digital age through an in depth look at the Brazilian Company of Communications (EBC), which was created by the Brazilian President in 2007. The EBC's organizational structure was changed to abolish the old division by medium – radio, TV and web, implementing a structure that emphasizes content that can be shared on all types of media, from radio to mobile. Those efforts were complemented by initiatives that encourage digital inclusion. The article provides a unique look into a public television station that was initiated following the digital switchover and provides thought provoking insights for future research on the relationship between public broadcasting and the benefits of digital switchover.

Understanding consumer's television viewing habits in the Digital Age is imperative to the development of content and business models. It is also of utmost importance to create industry measurement standards that mirror new digital viewing patterns. In the final article of this issue, John Carey explores both regulatory and consumer themes by assessing the current state of digital TV audience measurement and considering the case for government regu-

lation of TV audience measurement systems and companies. By relying on existing scholarship and the author's ethnographic research, the article examines current patterns of digital TV consumption that create many challenges for accurate measurement, including device shifting, time shifting and place shifting. Carey describes social media analytics and cross platform measurement as important new components in comprehensive digital TV audience measurement, but both are works in progress. Carey suggests that regulation of TV audience measurement systems and companies does not appear justified. Instead, industry self-regulation, accreditation by a private ratings agency and advanced research by university and industry groups appear more suited to meeting the many challenges and opportunities in digital TV audience measurement.

It is my hope that these different perspectives will encourage constructive discourse and informed policy-making in the regulation of digital television. I wish you an enjoyable and informative read.

REFERENCES

Carr, David (2013), 'Giving viewers what they want', *The New York Times*, 254 February. p. B1

Hart, Jeffery (2009), 'Video on the Internet: The content question', in D. Gerbarg (ed.), *Television Goes Digital*, New York: Springer, pp. 7–10.

Noam, Eli (2009), 'TV or not TV: Where video is going', in D. Gerbarg (ed.), *Television Goes Digital*, New York: Springer, pp. 7–10.

Noll, A.M. (2009), 'Digital television', in D. Gerbarg (ed.), *Television Goes Digital*, New York: Springer, pp. v–ix.

Sandvine (2014), '2H 2014 global Internet phenomena report', https://www.sandvine.com/downloads/general/global-internet-phenomena/2014/2h-2014-global-internet-phenomena-report.pdf. Accessed 27 December 2015.

Steel, Emily (2015), 'TV Transformed: How we watch', *The New York Times*, 3 October. http://www.nytimes.com/interactive/2015/10/01/business/media/TV-Transformed-Viewer-Profiles.html. Accessed 15 November, 2015.

Waterman, D., Sherman, R. and Ji, S. W. (2013), 'The economics of online television: Industry development, aggregation, and "TV Everywhere"', *Telecommunications Policy*, 37:9, pp. 725–36.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

UNDRAH BAASANJAV
Southern Illinois University Edwardsville

The public interest and Mongolian digital television transition

ABSTRACT

Since 2010 Mongolian television has been in transition from analogue to digital. This article introduces the process of digital transition of television, and then discusses challenges television stations face in terms of the audio-visual market and policies. The Mongolian media market has structural constraints typical to those in the small media states. In addition, new challenges like the financial dependency on the mining sector tax, an unsustainable number of politically affiliated commercial television stations, and the remnants of socialist institutional routines in media organizations also shape the television sector in Mongolia. The study also explores the state of public interest media services and opportunities due to the increasing convergence of television with the Internet. The arguments are built based on an analyses of existing legal and market studies, and in-depth interview data with professionals representing media, government and civil society institutions in Mongolia.

INTRODUCTION

Mongolian television is in transition from analogue to digital. In 2010, the Government of Mongolia adopted Resolution 275, which mandates that all television broadcasting transition to digital by July 2014. Following the experiences of the transition to digital broadcasting in other countries, and

benefitting from the available technological solutions, the transition in Mongolia is to be completed in a relatively short period compared to the United States and European countries. However, the agencies carrying out the Mongolian national programme such as the Information Technology, Post and Telecommunications Authority (ITPTA), the Communications Regulatory Commission (CRC) and international assisting organizations like International Telecommunications Union (ITU) primarily focus on the technological solutions of the digital transition without careful considerations of the social consequences. The Government has invested around 17.5 billion tugriks (around ten million American dollars) to replace the rebroadcast networks in around 370 localities throughout the country; but it has completely cut off state monies planned for helping viewers who are technologically and financially worse off in the transition to digital television. Little is stated in the government programme about improving programme diversity, programme quality and advanced technological services for the public. The public is not aware of the benefits they receive in return for public spending on infrastructure and transitioning to digital. In addition to better audio and video quality, digital television uses radio frequencies more efficiently by compression, meaning that 6–8 channels can be transmitted over the radio frequency occupied by one channel. Thus digital television frees some of the air frequencies occupied by broadcasters, and these freed digital dividends are sold to mobile and next generation technology companies. Furthermore, a piecemeal approach to media legislation creates uncertainties for commercial televisions, public broadcasters and digital media service providers in terms of market structure, programmes, services and regulation. This article introduces the process of digital transition of television, and then discusses challenges television stations in Mongolia face in terms of the audio-visual market and policies. Furthermore, the study explores the state of public interest media services and opportunities due to the increasing convergence of television with the Internet.

The arguments presented in this study are based on the analyses of existing legal and market studies, and in-depth interview data with professionals representing media, government and civil society institutions in Mongolia. The list of interviewees is enclosed in Appendix 1, and twelve in-depth interviews were conducted with media professionals and television executives working for the Globe International (GI), the Press Institute of Mongolia (PIM), the Media Council; Mongolian National Broadcaster (MNB), Eagle TV, NTV television, ITPTA, CRC, Maxima Consulting and the Open Network for Education initiative. The research took place in the summer of 2015 and the interviews were conducted in Mongolian for the period of 25 minutes to two hours following a semi-structured interview schedule. For this article, the interviews were transcribed in Mongolian and the excerpts are translated into English.

ANALOGUE SWITCH OFF (ASO) AND THE CONVERGED TELEVISION MARKET

Transition to digital television encompasses technological, political and social challenges that need to be solved in tandem over a long period as the experiences of many countries going through this transition show (García Leiva and Starks 2009; Iosifidis 2011). In the United States, the Telecommunication Act of 1996 mandated broadcasters to transition to digital television, and

1 the process was not finished until 2009 (Taylor 2010). Around one third of
2 Mongolians rely primarily on television for their news and information
3 needs as the most important information source (PIM 2015). That is why
4 the untimely turn off of analogue television transmission (the process is also
5 known as the analogue-switch-off or ASO) adversely affects people who do
6 not have digital television sets, converter set-top-boxes (STB), or other alter-
7 native options for receiving television signals. ITPTA, the government agency
8 carrying out the national programme in Mongolia, started the switch off this
9 summer at the expense of viewers in approximately 120,000 households out
10 of 823,000 households in Mongolia. In an effort to meet the ITU deadline for
11 the digital transition for the region 1 which includes Europe and Mongolia
12 (see ITU 2012), the Mongolian government aggressively pushed the switch off
13 deadline without clear policies concerning the social consequences. The initial
14 fund set aside to help vulnerable groups to purchase STBs or digital television
15 sets has 'disappeared' in the process of transition. Senior officer Oyuntsetseg,
16 ITPTA, explains how the cash restrained Mongolian government cut off the
17 monies for alleviating the burden for economically disadvantaged people, yet,
18 decided to switch off the analogue transmission earlier than the set deadline
19 of January 2016 by saying:
20
21   Users are required to buy their own digital television sets or STBs… The
22   reasons for this decision are, first, the government has run out of funds,
23   and second, each family has a different preference for an end-user device
24   in terms of price, brand, and available functions… So, users have been
25   purchasing their own end devices and some – 30–40% of them – already
26   transitioned at this point… Now, we are 'experimentally' stopping the
27   analog television transmission region by region because simulcasting in
28   both analog and digital is expensive for the government, which pays
29   double for electricity, as well as for work force.
30
31 STB or digital sets cost around $30–40 US dollars, and the rushed switch off
32 of analogue transmission without helping people creates frustration among
33 the public, who started to complain to the public broadcaster.[1] According
34 to the Law on Public Radio and Television of 2005, the Public Broadcaster
35 in Mongolia collects television set fees from each household, and this fund
36 creates one third of the yearly budget of the public broadcaster. In addition,
37 the Law on Information Transparency and the Right to Information of 2011
38 guarantees the citizen's right to information (GI 2015: 8), which will be in
39 jeopardy when some people are cut off from their only information resource.
40 Interviewee Naranjargal of the GI, who is one of the drafters of the Law on
41 Public Radio and Television, states that neither the general public nor the
42 civil society in Mongolia understand that the digital transition might jeop-
43 ardize the right to information of those members of the public who do not
44 have the means to obtain digital receivers and hurt small broadcasters with-
45 out the means to purchase digital broadcast systems, who oftentimes operate
46 in the countryside. She goes on to criticize the opaqueness of the national
47 programme in relation to the ownership and operational procedures of the
48 multiplexes. Multiplexing allows six or more programmes to be transmitted
49 over one channel previously occupied by an analogue television and thus
50 significantly decreases broadcasting costs. In many countries, the ASO is
51 either delayed to ensure that the most disadvantaged receive television signals
52 or governments provide subsidies for people who cannot afford digital sets.

1. Byambadorj, technical
   director of the MNB,
   said that they received
   several complaints
   from the viewers, but
   the MNB cannot solve
   the problem other than
   sending a report to the
   CRC.

In Slovakia and in the United States, for example, the governments provided eleven million euros and 1.5 billion US dollars, respectively, to vulnerable group members to purchase STBs or DTV sets (García Leiva and Starks 2009; Wheeler 2012). Similarly, in Mexico and Korea, transition to digital television greatly impacted the lower income and elderly population, which heavily relies on free and over-the-air terrestrial digital television for information (Barata 2013; Yoon 2014). It is uncertain how the Mongolian government will react to the frustrations of the people who will not receive television when the switch off completes.

The earlier experiences of digital transitions in European and Asian countries provided lessons for Mongolia in selecting the technical standards and made a variety of options available for digital television sets, converters or STBs. Mongolia has adopted the European digital television standard DVB-T2 MPEG 4, which uses 8MG bandwidth for digital television with the latest compression standard MPEG 4. An increasing availability of digital platforms – cable, satellite, wireless cable (or MMDS), and the Internet television (IPTV) – reduces the number of people who fully rely on the over-the-air television for basic information. The number of viewers receiving television over alternative platforms reached 669,881 in 2014, of which 15% use cable, 48% satellite, 18% MMDS and 19% of users use IPTV, respectively (CRC 2014). Thanks to the these multi-platforms, the number of television channels in Mongolia has grown to around 140 in 2015, of which sixteen are broadcast nationwide, 61 operate in capital Ulaanbaatar, and the rest operate in the countryside locally. However, unlike European countries, which implemented diligent policies for ensuring equality among different platforms in the converged media space (Murphy 2010; Wheeler 2012), the Mongolian programme lacks such a policy.

While digital television increases the number of channels, improves the quality of transmission, and brings portable and mobile services, and time-shifted and on-demand options, the main reason behind the ambitious transition is 'the freeing of the digital spectrum' and the selling of those air frequencies to wireless telecommunications services (Barata 2013; Iosifidis 2011; Wheeler 2012; Yoon 2014). Digital television can also carry captions for hearing impaired viewers, multiple sound channels for multilingual broadcasts and emergency texts. However, the National Program does not have policies on how these benefits will be used and who will benefit from them. What is at stake is understood only by a few people, and discussion about the freed digital dividends has not yet taken place. When asked, the government officials interviewed in this research briefly mention that the freed radio spectrum will probably be auctioned for the next generation IP-based and 4G services.

THE TELEVISION MARKET, PROGRAMMES AND RESEARCH

In the small media market of three million people of Mongolia, a plethora of around 140 television channels operate over the air, cable, satellite and IPTV (PIM 2015). The Mongolian media market has structural constraints typical to those in the small media states (defined as media markets of between 10,000 to eighteen million inhabitants) such as limited revenues in license fees, the shortage of advertising revenues, the scarcity of local quality content, and an international capital dependency as discussed in Puppis (2009) and Murphy (2010). The number of television service licensees fluctuates: the CRC revokes on average ten television licenses a year because of licensees' failure to fulfill

the broadcast requirements, which more often than not, is due to non-payment of the small service fee of 600,000 tugriks (around 350 US dollars) and radio frequency fee of 150,000 tugriks (75 US dollars) (CRC 2013). The capital, Ulaanbaatar, with its one million population leads the chart in media concentration with around 60 television channels.

Along with these structural constraints, new challenges, like the financial dependency on the mining sector tax and the remnants of socialist institutional routines in media organizations, also shape the television sector in Mongolia. The mining boom in the country during 2008–2012 and influx of foreign investment into the economy, spilled over into the television business, resulting in an unsustainable number of commercial television stations. Even though this boom brought a growing number of local television stations to the countryside, it created an overly crowded and fragmented market for television businesses in the capital. The consequential fragmentation in television viewership and advertising dollars makes it hard to run financially viable and politically independent media businesses. To survive in this fragmented market, commercial television stations tend to produce inexpensive content: daily news, talk shows, and obtain foreign syndicated shows and television series, sometimes violating international copyright law. Foreign drama, prime league sports programmes and foreign entertainment formats tend to garner viewership that is typical in this fragmented media market, where, according to the executive of NTV Enkhbat, there is no-channel-loyalty by viewers. The scarcity of advertising dollars, financing resources and talent push television businesses towards foreign programmes and formats. When multiple television stations bid against each other for the exclusive rights to broadcast the highly in-demand international sports programmes and television shows, the demand increases for foreign programmes and their prices go up, says television executive Badamdash, of Eagle TV. In other words, the fragmentation in the television market in Mongolia scatters much needed financing, talent and other resources for producing quality programmes in Mongolian, as well as for purchasing decent foreign programmes and formats.

For the reasons above, audience research, market analyses and audiovisual policy are very important for television businesses but both market analyses and audience research are limited in the country in general. PIM and Maxima Consulting are the only two groups conducting these types of research. Maxima Consulting has analysed television ratings since 2007 based on data using people-metre devices for 100 families, and PIM monitors the public broadcaster's programmes based on content analyses. Khishigsuren, Director of Research of Maxima Consulting, explains the fragmented market on the television business in Mongolia as follows:

There isn't a correlation between the number of television stations and the market size. We are the only organization, which counts advertising dollars in the television business. It is around 30 million dollars a year.[2] There are too many television stations, which operate on budgets of 500 thousand to one million dollars, which is nowhere close to enough to produce any program. That is why television stations push translated content to audiences, their news programs are prepared only from the Government building, many television stations broadcast stolen intellectual properties, and air Korean drama, full of product placements. Around the time of the 2008 election, politicians thought they needed television channels to get elected to the Parliament.

Khishigsuren claims that the paradox of the increasing number of commer- 1
cial television stations despite the small media market is explained by politi- 2
cal influence and inexperienced business practices. There are many television 3
stations, which only promote political candidates and special political interests 4
that do not even understand the television business. Political interests, espe- 5
cially during election times, erode the principles of the television business, 6
which normally packages programmes for viewers and viewers for advertisers. 7

    The declining viewership of Mongolian channels, the rising audience for 8
foreign channels and the flooding of Korean drama on Mongolian televisions 9
(see Maxima Media 2014) all recently led to several governmental and the 10
industry efforts. The Mongolian Government adopted the National Program 11
on Mongolian Creative Content in 2014, which is to be carried out untill 2025. 12
It has a ten billion tugrik budget annually, which will support Mongolian 13
lanuage creative production in television, radio and digital environments 14
(Parliament of Mongolia 2014). Concomitantly, a new addendum to the Law 15
on Culture, which will be reinforced starting January of 2016, mandates a 50 16
per cent increase in the total amount of the Mongolian language content by 17
commercial broadcasters and the amount is expected to be more than 60 per 18
cent for children's programmes (Parliament of Mongolia 2015). These require- 19
ments were in place in the CRC general requirements for broadcasting since 20
2013, but, according to television executives Enkhbat and Badamdash, could 21
not be met by television service providers, especially small broadcasters, 22
because most television stations do not have the financial means to produce 23
original Mongolian language content at the required level. Deficit financing, 24
necessary for television production typical in the west, does not exist in the 25
country, and there is no market for reruns of the syndicated programmes in 26
the Mongolian language. 27

    The National Program on Mongolian Creative Content will support the 28
digitalization of traditional, as well as new content, and will finance the 29
production of creative television and digital content. It is expected that the 30
National Program along with stricter reinforcement of the Copyright Law, 31
will reduce the number of struggling television stations. Before the National 32
Mongolian Creative Content Program, television licenses have been issued 33
based only on the technical capabilities of stations by the CRC, an organiza- 34
tion with primarily technical expertise. Interviewee Tamir, the former director 35
of the regulation division of the CRC and the current Vice-chairperson of the 36
Media Council explains: 37

  38

    For a long time, technical requirements have been the only criteria for 39
    issuing a television license. Very little content or programmatic stand- 40
    ards were required before 2008, which led to the establishment of too 41
    many politically affiliated television stations for such a small market. 42
    The financial viability of these television stations is questionable, and no 43
    agency monitored television content. Defamation, libel and tarring of 44
    political rivals using television soared because of the regulatory vacuum. 45

  46

Content regulations and programming requirements were very relaxed follow- 47
ing the neo-liberalization spirit after the collapse of socialism in Mongolia, 48
which vigorously supported non-state and commercial media as opposed to 49
the long existing propagandistic media. As I explain in the following section, 50
the main media law – the Law on Media Freedom of 1998 – set few content 51
regulations for newly emerging commercial media. This situation backfired 52

1 on Mongolian society which saw the rise of politically affiliated television
2 stations, and a spiking number of defamation and libel cases in media, as
3 Tamir explains.
4 On the industry side, commercial television stations organized the Mongolian
5 Television Forums in 2014 and 2015, and they signed the Memorandum of
6 Understanding denouncing the infringement of copyright laws of foreign
7 audio-visuals and proclaiming readiness to improve local and foreign audio-
8 visual content. Television stations like Mongol TV, the main initiator of the
9 forum, bought broadcasting rights to the popular American shows *Breaking
10 Bad* (2008–2013) and *Scandal* (2012-) and Russian series *Pepel*/'Ash' (2013),
11 adopting foreign formats like *Mongolia's Got Talent* (2015-) and developing a
12 socially oriented talk show *#Nuudel Shiidel*/'#Decisions' (2015-). The second
13 important development is the establishment of the Media Council in 2015 with
14 support from DW Akademie, an industry self-regulating organization, which
15 will play a major role in developing ethical codes and professional guidelines
16 in media. This is an important step for the industry because many commercial
17 television stations operate without professional guidelines and ethical codes
18 and function as a subsidiary of big business groups and political fractions that
19 do not have media backgrounds. Commercial television stations do not have
20 a trustee or governing board/council except the Mongolian Public Broadcaster
21 and TV 9, which ensures that some public interest duties and obligations are
22 met in return for their use of the public airwaves.
23   The switch to digital brings about at least three immediate consequences.
24 First, by increasing the number of channels over the state-upgraded digi-
25 tal broadcast network, and by selecting television channels to be broad-
26 cast nationally, the digital transformation will lead to more consolidation in
27 media in Mongolia, which has already been accelerating, as reported in FES
28 (2012) and PIM (2015). In order to meet the threshold criteria to be broadcast
29 nationwide, television stations first have to meet the 50 per cent local content
30 requirement in Mongolian, in accordance with the New Addendum to the
31 Law on Culture. Furthermore, advertising is limited to eighteen minutes per
32 an hour in the new Addendum. These selection criteria create a high thresh-
33 old for new and small players, and are likely to strengthen bigger players by
34 reducing the number of smaller and independent television stations. The
35 media environment of Mongolia with a legislative vacuum and legal loop-
36 holes will probably lead to bigger players consolidating even more, similar
37 to the way it happened in the post-communist countries of Bulgaria and
38 Romania (see Ibroscheva and Raicheva-Stover 2009; Sutu 2013).
39   Furthermore, digitalization of television creates more channels; however,
40 programme diversity and quality might take a back seat (see Garcia and Plata
41 2013; Hellman 2010; Iosifidis 2011). CRC's policy on the specialization of cable
42 television service providers exemplifies this trend. The cable specialization
43 policy of CRC increased programme variety by issuing licenses in education,
44 sports, news, environment, music, shopping, history, children's programming,
45 entertainment and so on. Yet many of the cable service providers in Mongolia
46 do not meet the minimum requirements of broadcasting set by the CRC in
47 terms of local content production. CRC has stopped issuing cable licenses
48 since May 2014. Increasing programme diversity, fostering locality and serv-
49 ing underserved communities should be the compelling rationale behind the
50 digital transition, as communication scholars argue (Napoli 2003). However,
51 when a plethora of technologically advanced channels from the capital are
52 broadcast in the countryside, they will likely squeeze out ~~adverting~~ from small

broadcasters. Local media outlets are likely to be squeezed out by bigger national players and minority language and local programmes in remote areas of Mongolia might suffer.

LEGISLATIVE AND REGULATORY VACUUM

The 1992 Constitution of Mongolia, the Media Freedom Law of 1998, the Communications Law of 2001 and the Law of Public Service Broadcasting of 2005 govern the operations of television stations in Mongolia. The Constitution of 1992 guarantees the freedom of speech and press, and the Law on Media Freedom of 1998 prohibits the Parliament from passing any law restricting media freedom and restrains the Government from owning its own mass media. These two laws were adopted immediately after the democratic revolution in the Zeitgeist of the 1990s, which was dominantly for the support of non-state media and for eradicating censorship. There have been no laws governing the activities of newly emerged commercial television stations in terms of their roles in public discourse. Democratic societies have Broadcasting Laws or equivalent laws, which delineate the commercial interests of private media and the societal functions of media in informing the public by setting minimum standards for content, program-ming practices and serving the public interest. These laws require that commercial television stations serve some public interests in return for their use of the public airwaves. These provisions do not exist in Mongolian law (Mendel 2010).

Without well-delineated Broadcasting law, the notion of *the public inter-est* only seems to apply to the public service broadcaster – MNB, but not to any other media service provider. The concept is not understood in the post-socialist culture of Mongolia, and the public interest is often conflated with the interests of the ruling political fractions and government interests in routine operations of media showing a continuation of the socialist past. The definition of the public interest varies widely from country to country, and it evolves on the principles of programming diversity, plurality of views, fostering locality and serving the underserved. This legislative vacuum with-out minimum standards for public service obligations for all broadcasters contributes to the acceleration of media concentration, the growing number of politically affiliated television stations, and the increasing number of defamation and libel charges against journalists. In the television industry, financial viability and independence are not clearly delineated from uneth-ical and even illegal profiteering either by legal or by professional codes. Thus an editorial independence of journalists and editors from political and commercial interests is not ensured. A new Broadcasting Law drafted in consultation with the Asian Broadcasting Union and the Centre for Law and Democracy in 2010, aims at filling this vacuum. The draft law affirms that the airwaves are 'public property' and television service providers should serve the interests of the public. Several provisions in the draft law, which require that television service providers reveal their ownership and establish an independent broadcasting council, are resisted by various factions in the Parliament, which have financial interests in commercial television stations and a political grip over the CRC. Other provisions relating to the mini-mum amount of the Mongolian language programming and quality content were taken out from the Broadcasting Law and are included in the recently adopted Addendums to the Law on Culture. This selective and piecemeal

approach of the Parliament to media policy, especially before the 2016 Parliamentary election, shows politicians' reluctance to media ownership transparency and their firm grip on the CRC, the government regulator issuing broadcasting licenses. Toby Mendel, media and freedom of expression law expert who helped to draft Broadcasting Law in Mongolia, points out that the Communications Law of 2001 fails in guaranteeing the independence of CRC, the regulatory body over media, from political and financial interests (2010). The CRC is a government implementing body, the chairperson and regulators of which are nominated by the Prime Minister. Extensive regulation of media by the CRC and the number of violations of the freedom of expression and journalist's rights by the government authorities increased in 2013–2014 in Mongolia according to the GI (2015). Defamation is a criminal charge and more than 50 per cent of the plaintiffs who brought the libel and defamation cases against journalists in the court were politicians, state officials and government bodies (GI 2015: 23). A new edition of the Law on Media Freedom, which is being discussed in the Parliament, aims at responding to the increasing threat to the freedom of expression, politicians' pressure on the press and the lack of professionalism and responsibility in media. The draft edition of the Law expands upon the four articles of the Law on Media Freedom of 1998, which were rather declarative, by following four, (1) instituting the disclosure of media ownership, (2) calling for the editorial independence of media, (3) calling for shielding of journalistic sources and (4) establishing an independent Media Council. The draft edition also reaffirms the freedom of expression of citizens and the press by guaranteeing no censorship by the government, and no government ownership. The exception is that the government can own foreign language media services about Mongolia, somewhat similar to the Voice of America that broadcast in foreign countries, but not in Mongolia.

The Law on Public Radio and Television of 2005 has several forward-thinking provisions relating to the right to obtain information and the protection of sources by journalists; however, the law applies only to the public broadcaster MNB. The law does not guarantee the right to obtain information by media professionals in private and other media outlets; neither does it provide legal shields for protecting their sources. Advertising by MNB is also strictly limited, and the process of appointing the governing body of MNB, the National Council, is not clearly delineated. This situation leads to MNB's financial dependence on direct government subsidies and to political interference in appointing the National Council of the public radio and television (DW Akademie 2014; Mendel 2010; GI 2015).

The transition to digital television allows investigators to see the rudimentary and porous nature of Mongolian media laws. Digitalization of broadcasting rapidly blurs the boundaries among different platforms of over-the-air television, cable, satellite, the Internet and mobile, and their content and programmes have become easily convertible from one form to another. These platforms have developed and been regulated differently: broadcasting was mostly supported by the state with strict content regulation over the years, whereas cable, mobile, Internet and satellite platforms have been developed by private companies with little state support and almost no content regulation. A new Broadcasting Law inclusive of different platforms is a good beginning, but a diligently set policy equivalent to the platform equality provision in some countries (see Murphy 2010; Wheeler 2012) in existing and future laws would be beneficial.

The idea that the public broadcaster – MNB has public service interest obligations, while other private over-the-air television, cable, satellite and IPTV providers do not, is being challenged in two draft laws discussed above. The definition of *the public interest* evolves and is contextualized variedly in different countries, and at its core it encompasses diversity of programmes, diversity of views, locality and serving the underserved. With the transition to digital, the number of television stations broadcasting nationwide will increase, and the government is selecting these stations based on the criteria of serving the public interest in addition to their technological capabilities. However, the standards for public interest services seem to be limited to programme and format varieties, as was the case in the implementation of cable specialization. Without clear delineation of the core principles of serving the public interest, the principles of diversity of views, locality and universality are withering away in television. The voice of people in the countryside and impoverished social groups in Mongolia are not heard in media and the government digital transition programme is not inclusive when the minimum public interest services are legislatively not in place.

CHALLENGES AND OPPORTUNITIES FOR PUBLIC INTEREST SERVICES

The above section shows how, according to the existing laws, serving the public interests in media is the premise of only MNB. This section analyses the challenges MNB faces and goes on to discuss a new educational initiative in relation to digital transition and the converging trend in media. To assume that the European model with its long history of public broadcasting services can be transferred to the Mongolian media during the digital television transition is presumptuous. Technological standards are closely followed, but the public service functions and practices of the European states are being applied only to the public broadcaster MNB.

MNB, the public television of Mongolia, has been striving to transform to a public broadcaster over the last ten years, and this process faces identity and financial challenges. When MNB was re-established as a public service broadcaster in 2005, it inherited from its socialist-time state predecessor a long-standing history, a nationwide infrastructure and trained personnel. These inheritances gave advantages to MNB in a competition with commercial television stations. MNB's programmes, particularly *MM News* (Tsagiin Khurd), have the highest number of viewers, and MNB enjoys name recognition and channel loyalty among the population above 35 years of age, according to Maxima Consulting (Maxima Media 2014). Over the years MNB has archived television programmes and maintained its dominance in programming, while commercial television stations struggled with the deficit of Mongolian language programmes. Compared to private television stations, MNB has programme variety and diverse programmes including educational programmes, environmental programmes, history programs, and programmes targeting the rural population and ethnic minorities. Yet, according DW Akademie (2014), which evaluates the transition to public service media by the former state broadcasters in developing countries, MNB is still in its initial transformation stage. MNB serves basic informational news for public forums and provides socially cohesive cultural and educational programmes. Yet, MNB's shortcomings include a great amount of repetition (49 per cent), the lack of investigative reporting, low journalistic

standards, the dominance of government news sources and 'paid programs' (1 per cent) (DW Akademie 2014).

MNB has no mechanism and structure to carry out public governance and receive public feedback, especially after the recent budget cuts, which eliminated the research department and an ombudsman, says interviewee Naranjargal of GI. A veneer of public participation is in place in the forms of 'Hours With Viewers' and 'Open Day'. However, when viewers express concern over being cut from receiving information on television due to the ASO, MNB had no vehicle to address the issue. Though widely praised, the Law on Public Radio and Television strictly limits commercial ads and makes MNB dependent on the government for funding. This financial dependency concerns the current management of MNB, and they propose additional possible funding sources practiced in other countries including a charity or donation system, and syndication and franchising of programmes (Oyundari 2011). The syndication of programmes is long overdue; yet, the market is small, and the Parliamentarians, some of whom own commercial stations, vehemently resist the idea of MNB selling programmes. This resistance was the reason for the limitation of commercial advertising on MNB to 2 per cent, which was much lower than the proposed 20 per cent in the Law on Public Radio and Television in 2005.

Public interest services are not understood culturally without instituting public service obligations to all media. The Zeitgeist of the 1990s for the support of liberal media in Mongolia and the residual mentality of the state media of the socialist time hinder the development of an ethos of public service media. Ariunbat, Director of Channel 1 of MNB explains:

> … Since the 90s, public confusion between liberal/tabloid media and the democratic press has been very widespread… As commercial media flourished and pursued their profit-making motifs, people started to understand that the liberal media do not serve the interest of the public… Yet, public interest media as stated in the law, is something of a mystery even in academic and journalistic circles… Till the 90s television was the ideological mouthpiece of the party, and then after the 90s we only talked about the liberal media. Television professionals producing media programs are still not sure about to whom the public broadcasters give voices and whether or not a regular person can represent the public […] The next confusion is about the self-financing of public broadcasting […] The Law on Public Radio and Television states that the government subsidizes our television and collects license fees. We need to explain to the public what services they pay fees for… It is a very nuanced issue…

Neither legislators, nor the general public understand the principles of the public interest services, without which media's democratic roles in society cannot be fulfilled.

The convergence among different platforms like IPTV, cable and satellite creates new possibilities for public interest services and these opportunities should be assessed comprehensively, in relevant media laws and national programmes, such as the Digital Television Transition and Mongolian Creative Content. Television stations in Mongolia have increasingly started to webcast their digitalized content online and over mobile platforms. In addition to available online programmes at the websites of particular

stations (e.g. mnb.mn, mongoltv.mn, eagle.mn etc.), there are special media portals including mglradio.com and gogonews.mn, which live cast online programmes of 40 or more television stations with programme guides. These time-shifted and on-demand platforms increase opportunities for educational services. One example is the Open Network for Education initiative (one.mn), which offers access to an online collection of more than 2000 micro lectures in Mongolian on subjects including mathematics, history, English and traditional Mongolian script. This initiative partners with the US Khan Academy (www.khanacademy.org) and the Ministry of Education, Culture and Science (MECS) of Mongolia, and provides either translation of instructional resources developed by Khan Academy or instructional videos independently developed by Mongolian teachers via YouTube. These videos are concomitantly available over Univision, an IPTV on-demand services in Ulaanbaatar. Interviewee Enkhbat, the founder of the first Mongolia Internet node and the one.mn initiative, sees great potential in open educational resources on-demand over the IPTV to create, for example, English language training materials and a Mongolian online dictionary, by saying:

> Mongolia has content deficiency and a small market. Students don't have textbooks and a good textbook by a university professor does not sell more than 500 copies. 50 thousand companies in Mongolia don't have a single training textbook. This situation can be in a way a blessing because the only way to overcome this is to collaborate in producing content. We either have to produce content collaboratively or to participate in international open education initiatives. By putting together students' textbook monies, government textbook funding and private business sponsorship we should be able to finance this project.

The government supports this initiative, but the implementation by the ministry is made more cumbersome by openning an open bidding process for each batch of training materials and only selecting organizations with a Khan Academy contract. Furthermore, no law acknowledges creative commons licenses and the registration of collaboratively produced creative content goes to the government, the same way MNB's products cannot be sold to other television stations.

When the above discussed content are distributed over the national broadcast networks, especially to the countryside, there is a need for a comprehensive strategy ensuring non-discriminatory information distribution for all citizens and the equality of services over different platforms. In Italy, the digital switchover accelerated the duality of services; so that the better quality programmes are packaged for subscription and pay-per-view services, while lower quality and cheaply produced programmes are kept for digital terrestrial television networks (Padovani 2007). This duality is already taking place when only people with IPTV (subscription television) receive educational materials created with public funding. A balanced policy ensuring both the financing of educational content and educational objectives for all, regardless of geographical location and economic status, needs to be set with clear minimum standards in laws and national programmes. This will also lead to a platform equality policy, balancing the state investment in terrestrial television with private investment in the IPTV network and the cable television industry, in a similar path followed by European states.

CONCLUSION

The Mongolia transition to digital television has been driven by an attempt to keep up with technological developments occurring in European and Asian countries. The ASO deadline is happening without alleviating possible consequences for disadvantaged groups and small broadcasters in the countryside. The interests and rights of these groups are omitted in the national policy because the current laws do not affirm public interest service obligations in media. The basic premises of television services to the public – programme diversity, locality and universality – as they are protected in laws in European states, are undeveloped in Mongolian laws. In a television sphere where most television stations have only been operating for ten or fewer years, without professional standards, setting mandatory threshold standards for services to the public seems necessary. With political interest in television growing, and media consolidation accelerating, it is in the interests of the ruling factions to make the process of digital transition opaque.

The transition to digital television has been technologically driven with the primary interest of freeing radio frequencies for more advanced telecommunications services without a clear understanding of the media environment in Mongolia. A legislative vacuum along with a low-level of understanding of the stakes and consequences of this transition leave more questions for the public and civil society in Mongolia. The big questions 'Who will be given the freed digital dividend (690–780MHz), and how will they be used?' and 'Who will control the multiplex?' remain unanswered in the national programme. Stakeholder television, cable and the Internet providers have acknowledged the small market size and content deficiency in an increasingly converged market, and have started educational and cultural content initiatives to serve the public. However, laws and cultural practices still seem to lag behind.

APPENDIX 1: LIST OF INTERVIEWEES AND INTERVIEW DATES

1. Z. Amgalan, Director of Radio Frequency Regulation and Monitoring, Communications Regulatory Commission, 26 June 2015
2. L. Ariunbat, Director of Channel 1, Mongolian National Public Radio and Television, 26 June 2015
3. D. Badamdash, Executive Director, Eagle News, 11 June 2015
4. Y. Byambadorj, Director of Technical Center, Mongolian National Public Radio and Television, 8 June 2015
5. D. Enkhbat, Founder, Open Network for Education, 19 June 2015
6. T. Enkhbat, Executive Director, NTV, 5 June 2015
7. G. Gunjidmaa, Director of Research, Press Institute, 9 June 2015
8. Y. Khishigsuren, Director of Research Department, Maxima Consulting, 18 June 2015
9. K. Naranjargal, President, Globe International, 3 June 2015
10. B. Oyuntsetseg, Senior Specialist, Information Technology, Post, Telecommunications Authority, 4 June 2015
11. U. Tamir, Vice Chairperson, Media Council of Mongolia, 11 June 2015

12. N. Togtokhsuren, Broadcast Regulation Specialist, Communications Regulatory Commission, 26 June 2015.

REFERENCES

#Nuudel Shiidel/'#Decisions' (2015-, Mongolia: Mongol TV)

Barata, J. (2013), 'Content futures in the digital tv switchover', *InterMedia*, 41:3. pp. 18–21.

Breaking Bad (2008-2013, USA: AMC).

Castañeda, M. (2007), 'The complicated transition to broadcast digital television in the United States', *Television & New Media*, 8:2, pp. 91–106.

Communications Regulatory Commission (CRC) (2013), 'Радио давтамжийн ашиглалт, үйлчилгээний төлбөрийн хэмжээ'/'Radio frequency usage and service fees', http://www.crc.gov.mn/k/2CR. Accessed 31 July 2015.

____ (2014), 'Харилцаа холбооны салбарын 2014 оны жилийн эцсийн үндсэн үзүүлэлтүүд'/'2014 Industry indicators of the communication and telecommunications Sector', http://www.crc.gov.mn/k/35/23. Accessed 31 July 2015.

DW Akademie (2014), 'In the service of the public: Functions and transformations of media in developing countries', http://www.internews.org/sites/default/files/resources/DW-akademie-2015-01_In_the_service_of_the_public.pdf. Accessed 20 June 2015.

Friedrich Ebert Stiftung (FES) (2012), *Asian Media Barometer: Mongolia 2012*, Ulaanbaatar, Mongolia: Friedrich Ebert Stiftung.

García Leiva, M. T. and Starks, M. (2009), 'Digital switchover across the globe: The emergence of complex regional patterns', *Media, Culture and Society*, 31:5, pp. 787–806.

Garcia, R. G. and Plata, G. S. (2013), 'Digital terrestrial television policies in Mexico: The telecom wars', *International Journal of Digital Television*, 4:1, pp. 33–48.

Globe International (GI) (2015), 'Media freedom report: 2012–2014', http://www.globeinter.org.mn/images/upld/Hevleliinerhcholoo2015english.pdf. Accessed 31 July 2015.

Hellman, H. (2010), 'Liberal turn in media policy: The case of Finland's digital television', *International Journal of Digital Television*, 1:2, pp. 193–213.

Ibroscheva, E. and Raicheva-Stover, M. (2009), 'Development of digital TV in Bulgaria: Opportunities and problems', *International Journal of Communication*, 3, pp. 87–107, http://ijoc.org/index.php/ijoc/article/view/402/295. Accessed 5 February 2016.

International Telecommunications Union (ITU) (2012), 'Guidelines for the transition from analog to digital broadcasting', August, https://www.itu.int/ITU-D/tech/digital_broadcasting/project-dbasiapacific/Digital-Migration-Guidelines_EV7.pdf. Accessed 1 August 2015.

Iosifidis, P. (2011), 'Growing pains? The transition to digital television in Europe', *European Journal of Communication*, 26:1, pp. 3–17.

Maxima Media (2014), '2014 Оны Телевиз Үзэлтийн Судалгааны Тайлан'/'2014 report on television viewing', https://drive.google.com/file/d/0B1lCEuKh4-ORazV3M0xMUDNha0E/view. Accessed 17 June 2015.

Mendel, T. (2010), 'Report on current regulatory issues and needs in Mongolia', http://www.law-democracy.org/wp-content/uploads/2010/07/10.01.Mongolia.Media-Situation.pdf. Accessed 31 July 2015.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

Mongolia's Got Talent (2015-, Mongolia: Mongol TV)

Murphy, H. (2010), 'Digital television policy and regulatory neutrality in small western states: Ireland, Greece, Finland, Austria and New Zealand', *International Journal of Digital Television*, 1:2, pp. 155–71.

Napoli, P. (2003), 'The public interest obligations initiative: Lost in the digital television shuffle', *Journal of Broadcasting and Electronic Media*, 47:1, pp. 153–56.

Oyundari, T. (2011), 'Public broadcasting development trend', http://oyundary.blogspot.com/2011/08/tedxulaanbaatar.html. Accessed 5 June 2015.

Padovani, C. (2007), 'Digital television in Italy: From duopoly to duality', *Javnost-the public*, 14:1, pp. 57–76.

Parliament of Mongolia (2001), 'Харилцаа Холбооны Тухай'/'Communications Law', 18 October, http://www.legalinfo.mn/law/details/523. Accessed 31 July 2015.

____ (2014), 'Монгол Уран Бүтээл Үндэсний Хөтөлбөр'/'Mongolian Creative Content National Program', http://www.legalinfo.mn/annex/details/6460?lawid=10558. Accessed 31 July 2015.

____ (2015), 'Соёлын Тухай Хуульд Нэмэлт Оруулах Тухай'/'Addendum to the Law on Culture', February, http://legalinfo.mn/additional/details/2133?lawid=454. Accessed 31 July 2015.

Press Institute of Mongolia (PIM) (2015), 'Mongolian media today', PIM, Ulaanbaatar, Mongolia.

Ререл/'Ash' (2013, Russia: PT1).

Puppis, M. (2009), 'Media regulation in small states', *The International Communications Gazette, 71*: 1–2, pp. 7–17.

Scandal (2012-, USA: ABC)

Sutu, M. R. (2013), 'The transition from analog to digital television in Europe: Challenges and opportunities for Romania', *Revista de Comunicare Si Marketing*, 4:6, pp. 45–60.

Taylor, G. (2010), 'Shut-off: The digital television transition in the United States and Canada', *Canadian Journal of Communication*, 35:1, pp. 7–25.

United Nations Educational, Scientific and Cultural Organization (UNESCO) (2011), 'Public broadcasting service: Comparative legal survey', http://www.unesco.org/new/en/communication-and-information/resources/publications-and-communication-materials/publications/full-list/public-service-broadcasting-a-comparative-legal-survey/. Accessed 5 June 2015.

Wheeler, M. (2012), 'European Union State aid, public subsidies and analogue switch-off/digital switchover', *International Journal of Digital Television*, 3:1, pp. 7–12.

Yoon, H. (2014), 'Lessons from digital switchover in South Korea', *Television and New Media*, 15:6, pp. 538–50.

SUGGESTED CITATION

CONTRIBUTOR DETAILS

Dr Undrah Baasanjav is an Assistant Professor in the Department of Mass Communications at Southern Illinois University Edwardsville. She researches media policies in developing countries, and her work has appeared in the

journals *Information, Communication and Society, Journal of Information Technology and Politics, New Media and Society, Journal of Online Learning and Teaching, Online Journal of Space Communication* and *Telecommunications Policy*.

E-mail: ubaasan@siue.edu

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

INDREK IBRUS
Tallinn University

The EU Digital Single Market as a mission impossible: Audio-visual policy conflicts for Estonia

ABSTRACT

The EU Commission has started to update its Audiovisual Media Services Directive (AVMSD) as part of its larger push to implement its Digital Single Market (DSM) Strategy. It is expected that this will not be just a light fix for some of the 'bugs' in the regulation, but a major overhaul motivated by the significant changes in media systems related mostly to media convergence and globalization. In this context this article offers a small country's view of these processes. It demonstrates in detail how Estonia, a very small country on the EU periphery, is challenged by the need to develop its positions with regard to the complex processes at the EU level. It discusses the 'impossible conflicts' that it encounters when trying to articulate its media policies and EU strategies. It also describes the complexities of developing media policy in a country where different government institutions are shaped by different ideological frameworks, and therefore have different policy goals; and how cultural policy goals tend to be sacrificed when they are in conflict with various techno-economic imperatives.

INTRODUCTION

This article is about the limited degrees of freedom of a very small EU country to drive its audio-visual policy and about the dilemmas it encounters at a time of convergence, globalization and turbulent international affairs. The fact that media convergence and the associated internationalization make it increasingly more difficult to effectively regulate national or regional media markets is a widely discussed phenomenon (e.g. Jassem 2010; Latzer 2014). What has also been established is the understanding that European media policy is increasingly driven by economic imperatives and less by cultural goals such as diversity or enlightenment (e.g. Celsing 2010; Jõesaar 2015). Further, the specific limitations on media markets in Europe's small member states have been evidenced in a series of works (e.g. Lowe and Nissen 2011; Puppis 2009; Trappel 2014). However, what this article aims to demonstrate is the difficulties experienced by small peripheral European states in regard to the combination of all the aforementioned aspects – convergence and small size within the EU single market, as well as the broader globalization of media markets – plus the new situation related to international security (i.e. threats of Russian aggression towards Eastern European countries materialized in propagandistic media content aimed at the population within these countries). The difficult challenges presented to these smaller countries (this case study being about Estonia) by a combination of these aspects comprise the topic of this article. At the current stage, these challenges have become especially visible as the EU is preparing to enforce its Digital Single Market (DSM) strategy (European Commission 2015) and, in this connection, also update the Audiovisual Media Services Directive (AVMSD) European Commission 2010). Therefore, the specific case in this article reports on Estonia's inner struggles resulting from the need to develop its positions in regard to these EU-level regulatory efforts. The article analyses in detail the nature of the discussions and arguments involving the different governmental offices and agencies that have eventually led to the articulation of official government positions with regard to these EU-level processes. The article aims to explicate the uncertainties and 'impossibilities' that the policy-makers in such countries tend to meet.

Context

Estonia's internal market is very small – with 1.3 million inhabitants, the advertising market totalled only € 88 million in 2014 (TNS Emor 2015). Furthermore, the advertising market is fragmenting with money gradually leaving TV and dispersing across the penumbra of online platforms, thereby often leaving the national media system. Therefore, especially after the advertising market crashed during the recession, it is increasingly obvious that the market fails to support the commercial TV industry (Ibrus 2015c). Relatedly, one of main media policy questions is how to keep the commercial broadcasters afloat and to empower the Public Service Broadcaster to curate the national cultural space. Furthermore, when it comes to the independent content producers, a new policy aim has been established in the last few years to focus on their capability to export their productions and services (Ibrus 2015a). That is, the overall aim of the country's cultural policy is to strengthen national media in the context of globalization.

However, this cultural policy goal may not be in harmony with Estonia's other policy goals within the EU. To analyse these contradictions, let me first provide a survey of which institutions in Estonia are responsible for media-

related policy-making and for establishing EU-related strategy. In the first place, there are the two ministries – the Ministry of Culture and the Ministry of Economic Affairs and Communications. Officially it is the Ministry of Culture that is responsible for cultural policy-making, including audio-visual affairs. Yet, the Ministry of Economic Affairs and Communications is responsible for closely related techno-economic issues, such as telecommunications, broader 'information society' development, as well as advertising regulation. Furthermore, the Technical Regulatory Authority, which in Estonia also performs the functions of an independent media regulator, operates in the administrative area of the Ministry of Economic Affairs and Communications. All this means that the two ministries are set to co-regulate the media domain – one based on cultural policy rationales, the other on technical and economic rationales.

Regarding contemporary EU affairs, it is also the Ministry of Economic Affairs and Communications that is responsible for the EU DSM strategy, which is understood to include the AVMSD. Furthermore, within Estonia's European Union Policy[1] audio-visual affairs are part of the competition policy section, which is also a responsibility of the Ministry of Economic Affairs and Communications. The latter has become a special source of tension over the last decade since audio-visual policy issues at the European level are largely discussed from the perspective of broader market regulation (where Estonia's general view favours liberalization), while cultural policy goals are deemed to be secondary. Here the broader context is that, on the one hand, Estonia has earned international recognition for its wealth of public online services (for instance Chakravorti et al. [2015]) and, on the other hand, Estonia has also turned this into its core theme in international affairs and European Union policy – the universal provision of digital public services, cybersecurity, Internet freedom, network architecture, sharing economy, start-up culture, etc., are the themes that it uses to present itself as being in the know. Therefore, the ideology that pervades its official positions in Brussels is one emphasizing Internet freedom, global free trade for all kinds of goods and general market liberalization. Relatedly, the cultural policy rhetoric on 'protecting' Europe's cultural diversity is usually avoided if not critically approached by Estonia's representatives of digital affairs. 'Protectionism' has clear negative implications in this discourse.

The same approach is also generally supported by Estonia's Government Office, which coordinates all the country's actions and strategizing in relation to EU affairs. The Government Office is effectively the prime minister's office and therefore one should be aware that for the last ten years the prime ministers of Estonia have came from the Reform Party, which for the most part represents a neo-liberal ideology. Most importantly, Andrus Ansip, Estonia's previous prime minister, has become the European Commission's vice-president directly responsible for the DSM strategy. Relatedly, it has become Estonia's unofficial agenda to 'support' Ansip in his efforts to make the DSM strategy happen. Therefore, a broad market-driven and explicitly neo-liberal rhetoric dominates both the domestic consultations as well as Estonia's official positions in Brussels and elsewhere in the EU. The discourse of the Government Office representatives generally downplays the specifics of cultural policy and the references to it are minimized – generally with the argument that 'cultural diversity' is already referred to in EU treaties and therefore is 'a given' and requires no further mention. However, this discourse minimization has resulted in Estonia not pursuing any significant agenda on improving the cultural diversity within the EU and its member states.

1. See https://riigikantselei.ee/en/european-union.

It can be argued that this is related to the size of the country and its media market; i.e. the country is very small, and therefore, although the broader discourse on media policy is driven by economic arguments, it is generally not about prioritizing the growth of its economic capacity – the media sector's ability to export. Although a 'cash rebate' programme is newly in place, which is designed to facilitate growth in the provision of production services, there is no tradition of defending the interests of its media industries when it comes to the country's economic policies, because to date these industries have been economically insignificant, especially in regard to export income. Therefore, instead of being about fighting for better opportunities for its own media industries, the arguments about 'enabling a free market' in Europe, have focused on enabling access to services provided in other countries for Estonian consumers. This also comprises the context of the discussions on the practices of geo-blocking access to content in the DSM. That is, since the Estonian market is small and not very profitable for global online services such as Netflix, Hulu, Amazon Prime, etc., they are normally not legally available on its territory. This has been met with consumer frustration that also feeds policy goals. The fact that Ansip's rhetoric on the DSM strategy initially focused mainly on forbidding geo-blocking results from his own personal experience and that of his compatriots.

It can be argued that this 'Estonian experience' has also been translated into how Estonia's civil servants dealing with economic affairs view the relationships between the EU and the rest of the world and its industries. Regarding the international trade of digital goods and services, the Estonian position is effectively a fear that too much regional regulation could discourage global players from providing their services in Europe; i.e. that access may suffer, and the range of services available to the European consumer may decrease. For instance, if Netflix's offer is perceived as 'better' by the consumers, this is regarded as an absolutely self-evident fact that can lead to only one possible policy goal – to facilitate access to it. The questions about why and how is it better or is it 'good enough' in regard to various cultural policy goals are generally not asked.

Related arguments touch upon the start-up culture. According to popular knowledge in Estonia the number of start-ups per capita is the highest in Europe and this is due to a range of policy initiatives based on the general cultural enthusiasm related to 'digital business'. The dominant discourse view is that 'anything is possible' in the Internet economy. Scalable businesses can spring up anywhere and therefore: regulation is bad as it may curb innovation; and there is less concern for existing oligopolies since the belief is that markets tend to disrupt those every now and again. What is ignored is the specific tendency in media markets to always strive towards oligopolistic structures and the rather universal fitness of these structures once they mature. And, as we have demonstrated (Ibrus and Ojamaa 2014) it is nearly impossible, specifically for audio-visual industry start-ups, to make it big at least in the Nordic-Baltic region – the growth opportunities are limited due to the various path dependencies and other mechanisms that have locked in the market structures.

CASES AND METHODS

The context of the socio-economic aspects and discursive constellations described above is relevant in order to interpret the closely intertwined

processes of Estonia's articulation of three policy documents related to audio-visual media regulation in the EU. These are the following: Estonia's response to the European Commission's communication on the DSM strategy (Summer 2015); Estonia's response to the European Commission's public consultation regarding the AVMSD (Summer and Autumn 2015); the compilation of 'Estonia's European Union Policy 2015–2019' framework document (Spring–Autumn 2015). I will briefly describe the rationales for these three documents below.

The Estonian position on DSM was formulated as a government resolution[2] in response to Latvia, as the country holding the presidency of the Council of the European Union in the first half of 2015. The EU Commission had published its communication on DSM on 6 May (European Commission 2015) and the presidency then requested the positions of all member countries, in order for them to be combined and discussed in different Council of the EU meetings and eventually approved at the Council of the EU meeting attended by the heads of states.

The Estonian position on AVMSD was also formulated as a governmental resolution (European Commission 2015)[3] but this was in response to the Commission's public consultations that were part of its broader REFIT analysis assessing the existing and future functionalities of AVMSD. The REFIT that consists of a multitude of sub-analyses was launched in the spring of 2015 and the results should be published in mid-2016.

The framework document called 'Estonia's European Union Policy 2015–2019'[4] is produced every four years after the parliamentary elections with the expectation that the new government will achieve the goals articulated in the strategy document during the subsequent four years. The document is formalized again by a government resolution, after being approved by the parliament. Regarding the historical context, it should be emphasized that all three documents were discussed at a time when Estonia had just elected a new parliament and a government (a broad coalition consisting of centre-right liberals, conservatives and social democrats), which means that the document was drafted at a time when there was actually little political leadership, at least in the Ministry of Culture. Therefore, the document was drafted mostly by civil servants from various ministries and approved as such by the politicians.

But what research method did I use to make many of the assessments in the introduction and the following sections? This article is based on two methods – documentary analysis on the one hand and participatory observation on the other. Both are related to the fact that, in addition to my academic roles, during the last two and a half years, I have served as an advisor for audio-visual affairs at the Estonian Ministry of Culture and have therefore represented Estonia in EU Council's Audiovisual Working Group. I also participated in drafting all the documents referred to above, and in the related negotiations between the different relevant governmental institutions. In connection with these roles I had access to all the relevant documents, e-mails and meetings. I took notes at these meetings. Since no consent was asked from the participants for the data to be used in academic research, all the sources have been rendered anonymous and the statements have been generalized. The collected data has still been used in the research since the processes were effectively participatory (many societal institutions were invited to contribute their opinions and participate in discussions) and the results were effectively made public in the various phases of the processes.

2. https://dhs.riigikantselei.ee/avalikteave.nsf/documents/NT002357AA/%24file/15-01129-3.pdf.

3. https://dhs.riigikantselei.ee/avalikteave.nsf/documents/NT002549DE/%24file/15-01433-6.pdf.

4. https://riigikantselei.ee/sites/default/files/content-editors/Failid/EL/elpol-2015-2019.pdf

EUROPEAN CONTENT PRODUCTION AND MARKET FACILITATION

In the following analysis I will focus on two main discussions that were the main sources of disagreement between the different factions of Estonian officialdom. The first is how to facilitate the demand for European audio-visual productions in the DSM and therefore increase production of European works. How to motivate the production and mediation of European works has been one of the main rationales of AVMSD and, it can be argued, one of its successes. Historically, American dominance in the international export markets for film and television content has been facilitated by its huge monolingual domestic market that has enabled a rich generic variety in production and good average returns from the home market, which in combination has enabled significant flexibility in export strategies. Historically, Europe, which is a conglomerate of fragmented small national markets, could not compete with the flexibility and related market power of the North American distributors. But AVMSD (and the directives and conventions that preceded it), with its provisions that required 50 per cent of the programmes of all European broadcasters to originate from Europe and 10 per cent of content to be commissioned from independent producers, has to some extent neutralized the limitations imposed by European market fragmentation. I have argued (Ibrus 2015b) that the increasing export of European content, not only within Europe but also internationally (Scandinavian drama series, UK TV formats, etc.), has originally been expedited by the provisions of AVMSD. This directive has functioned as a market coordination mechanism that has facilitated the growth of demand for original European content and also has encouraged European producers to invest in development, innovation and quality, which in turn has resulted in further demand in Europe and elsewhere. Therefore, based on this success, it is expected that these provisions of the AVMSD will continue to be of central importance in the future.

Yet, these expectations are challenged by convergence. It appears that the main stakeholders both in Estonia and internationally agree that regulations for different audio-visual content transmission or distribution technologies or platforms will need to be harmonized, and therefore, AVMSD will also have to start dealing with various Internet-enabled platforms other than broadcasting on equal terms. This is not the case in the existing AVMSD: online 'newspapers' are exempted from AVSMD and the regulations for non-linear video services are much more lenient than for broadcasting. The argumentation for regulatory convergence, used by the Ministry of Culture, emphasized that the sector has already converged when it comes to all aspects of the value chain – consumption, distribution, production. Most media service providers utilize various cross-media strategies and diversify their services across different transmission or distribution technologies; most content travels across multiple platforms; and most users access media services and content on a variety of channels or platforms. In this situation, trying to sustain different regulatory regimes for different technologies would create unnecessary complications for all the parties and unfair conditions for the players that are focused mainly on specific technologies such as linear broadcasting; hence, the perception that regulations also need to converge. However, that would also mean the end of the existing regulatory tradition.

As mentioned briefly in the introduction, the central logic of AVMSD is that in order to provide a 'media service' one would need to apply for a license

(from the regulatory authority of one of the member states). However, the E-Commerce Directive (European Commission 2000) maintains that business in the Internet should not be based on member states issuing relevant licenses – i.e. the right to provide any kind of service online should be made available and free to all. The presumption here is that this freedom promotes innovation and equal opportunities for start-up companies in any field of the digital economy. But this would also mean that audio-visual media services provided in the Internet would not require a license. But, if there is a need for convergent technology-neutral regulation would that mean that broadcasting should also be liberalized? This was the core dispute for Estonian policy-makers in the different governmental institutions. The representatives of the Ministry of Economic Affairs suggested that it might be the right time for liberalizing the broadcasting market; while the people from the Ministry of Culture sought ways to make online players accountable to regulatory authorities and observe both the AVMSD and the national legislation of the countries where the services are provided and/or consumed. It was eventually agreed that perhaps some sort of 'registration' for Internet companies should be instituted.

But what kind of registration should it be and who should do the registering? The Ministry of Culture suggested a new approach to accommodate both views. In line with prior suggestions, for instance, by Tambini (2012) the proposal was made that the new regulatory regime for the convergent media era should be based on size. As Tambini (2012) put it, 'The principle should be that the size of the enterprise, and its importance in opinion formation, rather than medium of delivery, should determine the framework for responsibility and accountability. Larger enterprises should be subject to more public-interest regulation and accountability enforcement'. Relatedly, the suggestion from the Ministry of Culture was that the smallest media service providers (in terms of audience and therefore sociocultural impact) would be exempt from most of the provisions of AVMSD, including the obligation for either registering or obtaining licenses. But as the audience for the services increased, new rules and obligations would be applied – with the high demand for globally dominant media brands also expected to dominate the DSM. Such an approach would be based on the principles of Internet freedom – anybody can set up a business and communicate freely online, but as the impact of the service increases, it would be justified to turn them accountable in the public interest. For instance, if Netflix turns out to dominate the DSM, all aspects of its business conduct would need to become more transparent and standardized for all the market players (including national regulators). It would also need to start highlighting works from all the member countries, as well as start investing in new content from all the regions of the EU. The issue of how such service providers could be made to contribute to new content production is an unresolved and widely disputed question in Europe. Different ideas have been floated starting from VAT being paid in the countries where the consumption (of online content) occurs with the countries re-investing this money by supporting new content production. There are also new ideas regarding the institution of a new European tax for this purpose, or making the big players invest funds to commission new content that would equal a certain percentage of their turnover.

The view of Estonian Ministry of Economic Affairs and Communications was that none of these is really acceptable since they could all have a detrimental effect on the provision of audio-visual services in Europe – i.e. the large American brands could potentially retreat from Europe and thereby limit

the freedom of choice of European consumers. The other main argument against extending the logic of the existing AVMSD to non-linear internationally provided VOD-services was that the content of digital catalogues cannot be regulated similarly to linear broadcast programmes. Mostly because these catalogues may be structured and used in very different ways. For instance, the provision of the video content related to current affairs by the internationally notorious Estonian portal Delfi is updated daily. At the same time, Netflix organizes its catalogue of professionally produced material based on dynamically changing genre-categories (Madrigal 2014) and YouTube is mostly a video-sharing service, whereas the content offered to users is based on their search queries and previous activities on its website. In this context, trying to make sure that 50 per cent of YouTube content is of 'European origin' or 10 per cent is commissioned from independent providers would not make much sense. Therefore, the attempts to regulate catalogues are becoming unpopular in European policy circles and discussions on making service providers invest based on turnover are being introduced. However, as already discussed, the Ministry of Economic Affairs disapproved of this. Therefore, their suggestion for compensating the potential loss of private investments into the distribution and commissioning of European works was to simply increase the funding for the European Commission's MEDIA programme – an EU programme funding audio-visual production. Yet, the problem with this proposal is that this would prevent the market (consisting of thousands of agents) from being able to coordinate supply and demand, as well as innovation practices leading to diversity. Instead the entire sector in Europe would become even more dependent on public support with small juries gathering in Brussels to decide unilaterally on ever greater chunks of content supply in Europe. This would eventually not contribute to real diversity in the market and ignore grassroots knowledge on the audience demand for specific kinds of content in different parts of Europe and in different audience segments. After extensive disputes, the following was agreed upon and eventually turned into government statement: an entirely new 'combination of measures and regulations' should be developed to secure original content provision in Europe. This abstract statement is another way to say that Estonia could not agree internally on a new comprehensive strategy. The confusion caused by the new regulatory challenges for all the governmental institutions was so great that they agreed to leave it up to the EC to make more concrete proposals.

Still, the Ministry of Culture achieved a small victory when Estonia officially stated one more thing. It pointed out there was a need to analyse the potential for the further concentration of media content provision in the DSM and its subsequent effects on cultural diversity in Europe. Thereby Estonia discussed potential development not part of AVMSD, but with effects that could be neutralized by AVMSD. This development is the EC plan to minimize the 'unjustified geoblocking' practice by media service providers – i.e. the practice of only enabling access to a media service from the national territories for which they control the copyrights or have licenses. This potential development was not received well by AV-industry representatives anywhere in Europe since territory-by-territory sales of rights has enabled them to fund film-making more effectively. As a reaction to industry criticism, the EC representatives have recently explained that their aim is only to enable content 'portability' (i.e. if the right to consume certain content or access a service was obtained in one member state, the consumer would get the right to consume that same service/content in any other member state). However, many

1 analysts point out that such practices when implemented may still resemble a
2 form of 'passive sales' and therefore undermine the content production indus-
3 try's business models.
4   In this context, Estonia recalled that any media market has a tendency to
5 evolve towards an oligopolistic structure. This is due to many factors includ-
6 ing the economies of scope and scale logics; network externalities secur-
7 ing the market lock-in; the dominance of a very small number of players in
8 the Internet economy, etc. But it is also due to a few large American play-
9 ers (Netflix, Amazon, Hulu, Google Play, etc.) having close relationships
10 with the dominant American film and TV content distributors (Warner Bros.,
11 Sony, etc.) and, therefore, being able to broker comprehensive and occasion-
12 ally exclusive deals with them. This is another reason why the perception
13 has increased that Jeremy Tunstall's book *The Media Were American* (2008)
14 may have been a bit too optimistic – the American dominance in the EU's
15 new DSM is looming (see also Cunningham and Silver 2013). And the prob-
16 lem is not specifically about the American origins of these new services, but
17 simply about the nature of their existing business conduct that do not seem
18 to be oriented to facilitating cultural diversity in Europe (Grece et al. 2015).
19 Further, in the era of 'attention economy' (Goldhaber 1997) their dominance
20 is expected not to empower the national media systems of the member states
21 – i.e. players such as the public service media institutions of smaller member
22 states will not be well placed to compete for licenses (Netflix has openly
23 admitted to preferring exclusive global licenses – see Spangler [2015]) or to
24 compete for audience attention with the global players and their deep pock-
25 ets. It was especially the latter concern that motivated the Estonian Ministry
26 of Culture to fight for Estonia's official position to include the concern for
27 potential media concentration and its subsequent negative effects on cultural
28 diversity in Europe. Since the government position was eventually articulated
29 as a need to study the potential effects, the other government factions did not
30 resist despite being explicitly unconcerned about the effects that the market
31 structure had on culture. Yet, Estonia stopped short of articulating what
32 'market concentration' would mean in the DSM. Does it refer to a specific
33 size of a media service provider in either a national market or the EU single
34 market? And the various size-thresholds that would make media companies
35 subject to the more demanding provisions of the new AVMSD also remained
36 unarticulated. The reason for this openness was the inability of the small team
37 of Estonian experts to work on and assess these thresholds. Therefore, they
38 only proposed the size-based regulation as an abstract concept and an instru-
39 ment against potential market concentration in the single market and left it to
40 the EC to figure out the specifics.
41
42
43 **COUNTRY OF ORIGIN AND NATIONAL SECURITY**
44 Although Estonia suggested to the EC that regulatory convergence and equal
45 terms should apply to different forms of media when it came to consumer
46 protection issues (protection of minors, advertising of alcohol, tobacco and
47 other problematic substances, etc.), what is specific to the Estonian expecta-
48 tions (and that of the other Baltic states and Poland) for the new AVMSD
49 is that the design should also support the national security of the member
50 states. This is a significant and historically specific aspect. AVMSD was
51 designed as an instrument to facilitate the internal market for audio-visual
52 services in the EU and its central imperative is to warrant the free flow of

information and freedom of speech within Europe. It is for this reason that the directive makes it very hard to legally restrict the retransmission of television channels from other member states (Article 3). However, in recent years the Baltic states have felt the need to restrict the retransmission of Russian television channels that have acquired licenses from another member states (often the United Kingdom, Luxembourg and Sweden). The view of the Baltic states has been that the Russian state-owned television channels deliberately transmit hate speech and propaganda content aimed at destabilizing their societies by influencing their significant Russian-speaking minorities. Although recent research shows that the impact of Russian media on the world perception of the Russian-speaking audiences in the Baltics is minimal (Dougherty and Kaljurand 2015), the understanding is that Russia's newly aggressive foreign policy is aiming to make these minorities hostile to their local governments and thereby increase Russia's influence in their near abroad. In light of the events in Ukraine many also fear similar Russian aggression in other countries. Therefore, it is understood that media is an increasingly important component of Russia's 'hybrid warfare' (Pomerantsev 2014) and hence it is important to prepare for it by implementing media policy including the AVMSD.

The fact that the existing directive does not suit the new geopolitical circumstances has been repeatedly demonstrated by the Baltic states recently. Latvia and Lithuania stopped the retransmission of a few Russian TV channels (NTV Mir, RTR Planeta, Rossya RTR) in the spring of 2014, at the height of the emergent war in Ukraine. Since they did so without following the procedures of AVMSD, they later needed to justify their actions to the EC, and against all odds were not fined as all the parties understood their rationales for doing so. Subsequently, Lithuania tested the length of time required for the legally correct process for restricting retransmission (TV-channel RTR Planeta) to take effect and showed that it took almost a year. All Baltic countries have systematically stated that these processes need to be much swifter in times of crisis and therefore AVMSD must be updated in order to achieve this.

What changes does Estonia envisage in AVMSD? Interestingly, again the key is the country of origin principle, but also includes other core concepts of the directive – i.e. how to define an 'audio-visual media service'? As Article 1 of AVMSD prescribes, an 'audio-visual media service' is under the 'editorial responsibility' of a 'media service provider'. Here 'editorial responsibility' means the exercise of effective control over both the selection of the programmes and their organization. 'Media service provider' refers to the natural or legal person who has editorial responsibility for the choice of the audio-visual content provided by the audio-visual media service and determines the manner in which it is organized. Paragraph 3 of Article 3 of the directive says that a media service provider is deemed to be established in a member state when its main editorial office is in that member state, and most of the editorial decisions are taken in that member state. Altogether this means that a media service acquires a jurisdiction, a 'country of origin' within the EU, only if it has an actual editorial office in one of the member states and when that office executes real editorial control over the content of the broadcast programming or the catalogue of on-demand video content. Yet, this core logic of the AVMSD is undermined by the paragraph 4 of Article 2, which says that channels can also get a jurisdiction in a member state if they use a satellite up-link situated in that member state or when they use satellite capacity appertaining to that member state. This means that based on these technical criteria it is possible to get a formal jurisdiction

in the EU without having an actual editorial office in an EU member state. And this is what many TV channels from third countries including Russia have achieved. Either by using these technical criteria or by actually apply-ing for a licence in countries such as United Kingdom that grant licenses more easily and later never monitor their content (the UK independent regulator Ofcom only tries cases or checks content after complaints). An example: the Baltic Media Alliance Ltd (BMA) that holds licenses for several TV channels targeting the Baltic states is formally established in the United Kingdom and registered at an office in Queens House, 180 Tottenham Court Road, London. More than 200 other companies are registered in that same office. BMA also broadcasts the most popular Russian-language TV channel in Estonia – PBK (First Baltic Channel – share 17.5 per cent) – with most of its programming produced in Russia (effectively a version of Russia's First Channel [Первый Канал] with some add-ons, such as news produced in Estonia). Hypothetically, if PBK were to systematically broadcast misinfor-mation and hate speech about the Estonian authorities, the Estonian inde-pendent media regulator would be unable to legally stop the retransmissions quickly since the channel is licensed in the United Kingdom and the entire process would take nearly a year.

Therefore, Estonia proposed to the EC that the ways to obtain an EU juris-diction as well as later potentially invalidate it should be streamlined in the new AVMSD. Motivated by security issues, Estonia suggested that the coun-try of origin should only refer to instances where there is indeed an actual editorial office with real control over the programme or the catalogue of the particular service in a member state. This would mean no jurisdiction for third-country services on technical grounds. However, the paradox is that, in the context of Internet freedom issues, Estonia argued that the 'country of origin' and obligation to acquire licenses may be outdated and not fit for the new era. Therefore it left open the possibility for larger Internet players to simply register their services in the EU, follow the broad provisions of the AVMSD, but otherwise carry out as normal – i.e. service EU consumers to the fullest extent even though its 'content management office' may be far from Europe. Yet, in relation to security issues, the opposite proposal was made – to simplify and thereby strengthen the country of origin statute – to force the main players to have actual editorial offices within EU borders. Of course, the first rationale is for online services and the second for broadcasting, but since the emergence of IPTV, which means the technological convergence of the two, this old distinction has become obsolete and regulatory conver-gence is perceived as a way to respond to this. But would this convergence also mean that Netflix or Hulu, for instance, would now have to establish an 'editorial office' in one of the member states? Or if not, would the other option be to have everybody transmitting freely and geopolitical propaganda and destabilization efforts would be tolerated? Or will Internet/information/media freedom be undermined by 'psychological defence' (Jermalavicius and Parmak 2012) strategies in times of perceived 'hybrid warfare'. The paradox for small peripheral EU countries such as Estonia at this particular historical moment is that such conflicting rationales exist. From the perspective of these countries, when there is only one main regulatory instrument (AVMSD) that should deal with various perceived 'threats' coming from third countries – not only the potential dumping of large quantities of US content, but also all kinds of Russian propaganda – the term 'protectionism' acquires an entirely new meaning.

It is against this backdrop, where Estonia sees itself as a destination for cultural/information flows and very rarely as a 'country of origin' for content travelling to Europe, that it has also articulated a need for 'countries of destination' to be given additional legal powers. This would become handy in instances where a 'foreign' media service does not follow local advertising regulations and therefore has an unfair advantage in the particular national market. Or when hate speech is systematically transmitted. Yet, the counter-argument often used in Estonia's internal discussion is that strengthening the rights of the 'country of destination' is a slippery slope that could lead to the free provision of services in the DSM being undermined. And it would also provide a handy tool for potentially crypto-authoritarian regimes (Hungary has been referenced) to silence critical international media. Therefore, what Estonia agreed to propose is simply that a streamlined protocol should be established by AVMSD for countries of destination to negotiate the nature of a particular media service with their 'origin countries'. However, this is another essential indicator of the dilemmas facing a very small liberally minded country in the context of the processes of media globalization and convergence when trying to achieve specific (but largely conflicting) economic, cultural and security objectives with a single regulatory framework.

CONCLUSION

This article effectively tells two stories. First, the story of the complexity behind how policies, official government positions and national strategies are shaped. Government is rarely a monolithic apparatus executing the will of the elected politicians or the imperatives of their party programmes. Instead, it is also affected by the infighting between different government (i.e. public service) factions, their complex negotiations and other multimodal dialogical practices. These factions can be characterized, and their conflicts shaped, by different ideological frameworks, specialized knowledge systems or reference groups (with different degrees of empowerment) and associated path dependencies or contingencies. In the specific case of the evolution of media policy in Estonia, this article identifies the ideological path dependencies in the participating governmental institutions and recognizes that this is comprised partly of the ideological lock-ins that cause Estonia's cultural policy goals to be sacrificed for other goals, such as broad market liberalization and normative globalization in the digital services sector, which is now perceived to include audio-visual culture (see Jõesaar 2015).

The second story this article tells is how the same or similar tendencies are enforced externally in Estonia – how complex international developments are challenging a small peripheral country such as Estonia and how much freedom it has (if any) to design its national media system and ensure its survival. In this context, the article refers to the 'impossibility' of this mission – i.e. to the fact that a conflict exists between many of the country's articulated goals. On the one hand, the peripheral country desires more access and Internet freedom, but on the other, it worries about media concentration in the single market and about the evolving market dominance of global players that could have a detrimental effect on the existence of its own national media system. Furthermore, there are numerous perceived threats, including cultural homogenization on the one hand and the incitement of ethnic conflict on the other. To counter and resolve these perceived threats in the context of all the other goals and to do so within a single regulative framework is undoubtedly
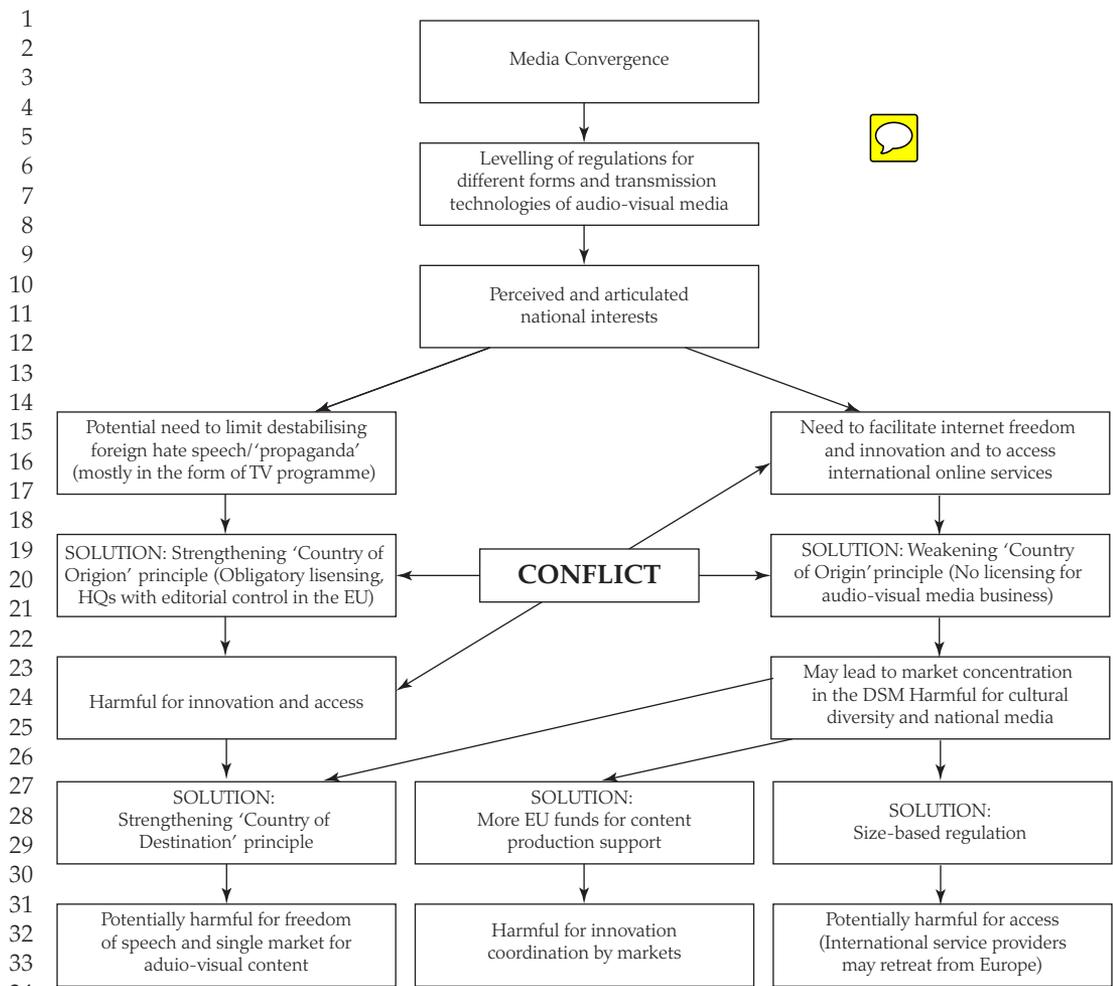
Media Convergence

↓

Levelling of regulations for different forms and transmission technologies of audio-visual media

↓

Perceived and articulated national interests

Potential need to limit destabilising foreign hate speech/'propaganda' (mostly in the form of TV programme)

Need to facilitate internet freedom and innovation and to access international online services

SOLUTION: Strengthening 'Country of Origion' principle (Obligatory lisensing, HQs with editorial control in the EU)

CONFLICT

SOLUTION: Weakening 'Country of Origin' principle (No licensing for audio-visual media business)

Harmful for innovation and access

May lead to market concentration in the DSM Harmful for cultural diversity and national media

SOLUTION: Strengthening 'Country of Destination' principle

SOLUTION: More EU funds for content production support

SOLUTION: Size-based regulation

Potentially harmful for freedom of speech and single market for aduio-visual content

Harmful for innovation coordination by markets

Potentially harmful for access (International service providers may retreat from Europe)

Table 1: Main EU media policy dilemmas as perceived and articulated by Estonian policy-makers.

a perplexing challenge. This article demonstrates the related confusion and uncertainty in Estonia's governmental institutions (see Table 1 for the illustration of these complex conflicts).

Yet, the process of updating the AVMSD and enforcing the broader DSM strategy 'surrounding' it will take years. And, in addition to the very small countries such as Estonia, there will many much more empowered agents around the table, all aiming to shape the regulation according to their own views and needs. Some countries are more protectionist and others more liberal; there are larger countries with economically significant audio-visual industries whose interests need to be protected and there are smaller countries interested in better access, as well as defining their rights as 'destination countries'. But in addition to the countries, there is also the industry lobby together with its inherent infighting – content producers demanding more support for independent content; commercial broadcasters demanding a reduction in the quotas for European productions; public broadcasters arguing for regulatory protection against platforms; newspaper publishers opposed to

their services being included in audio-visual regulation; online service providers warning against the regulation of the Internet, etc. The EC will need to balance all these interests while also keeping in mind the broader vision of the EU audio-visual content ecosystem for the next ten or more years.

Although the maelstrom of forces at play is not very encouraging for very small countries in terms of achieving their goals, the EU mechanism still provides the odd opportunity for all countries to drive the entire apparatus. The Estonian case analysed in this article is important not only because it presents a view of the evolution of EU media policy-making from the periphery, which is often ignored (Micova 2015), but also because Estonia will be presiding over the EU Council in the first half of 2018 when, according to many estimates, the final negotiations (the 'trilogues' between the EU Parliament, Commission and Council) on the new AVMSD will take place. Whether Estonia's current vacillation, resulting from the disagreements between its governmental institutions as well as from the general confusion associated with the perceived 'impossibility' of the policy mission, will evolve into bold decisiveness and informed positions will also be crucial for the evolution of broader EU media policy. The observations in this article establish a context for much that will follow.

REFERENCES

Celsing, A. (2010), 'Dealing with change: Impact of convergence on European Union media policy', in S. J. Druckerand G. Gumpert (eds), *Regulating Convergence*, New York: Peter Lang, pp. 37–58.

Chakravorti, B., Tunnard, C. and Shankar, C. R. (2015), 'The way to Estonia: How to reach digital nirvana', *Foreign Affairs*, 24 March, https://www.foreignaffairs.com/articles/global-commons/2015-03-24/way-estonia. Accessed 10 December 2015.

Cunningham, S. and Silver, J. (2013), *Screen Distribution and the New King Kongs of the Online World*, London: Palgrave Pivot.

Dougherty, J. and Kaljurand, R. (2015), *Estonia's 'Virtual Russian World': The Influence of Russian Media on Estonia's Russian Speakers*, Tallinn: International Centre for Defence and Security, http://www.icds.ee/fileadmin/media/icds.ee/failid/Jill_Dougherty__Riina_Kaljurand_-_Estonia_s__Virtual_Russian_World_.pdf. Accessed 10 December 2015.

European Commission (2000), 'Directive on electronic commerce, 2000/31/EC', Brussels, http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32000L0031&from=EN. Accessed 10 December 2015.

European Commission (2010), 'Audiovisual Media Services Directive, 2010/13/EU', http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010L0013&from=EN. Accessed 10 December 2015.

European Commission (2015), 'A Digital Single Market Strategy for Europe', Brussels, http://ec.europa.eu/priorities/digital-single-market/docs/dsm-communication_en.pdf. Accessed 10 December 2015.

Goldhaber, M. H. (1997), 'The attention economy and the net', *First Monday*, 2:4, http://firstmonday.org/htbin/cgiwrap/bin/ojs/index.php/fm/article/view/519/440. Accessed 10 December 2015.

Grece, C., Lange, A., Schneeberger, A., Valais, S.(2015), *The Development of the European Market for On-Demand Audiovisual Services*, Strasbourg: European Audiovisual Observatory, https://ec.europa.eu/digital-agenda/en/news/development-european-market-demand-audiovisual-services. Accessed 10 December 2015.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

Ibrus, I. (2015a), 'Audiovisual policymaking in Estonia at times of conver-gence: An "Innovation System" as a policy rationale', *Baltic Screen Media Review*, 3, pp. 102–15.

____ (2015b), 'Mida arvata ühtsusest kultuuriturul?'/'What to think of unity in the cultural market?', *Sirp*, 5 June, http://www.sirp.ee/s1-artiklid/c9-sotsiaalia/mida-arvata-uhtsusest-kultuuriturul. Accessed 10 December 2015.

____ (2015c), 'The replacement of media policies with (media) entrepreneur-ship policies: A view from Europe's periphery', *International Journal of Digital Television*, 6:3, pp. 311–18.

Ibrus, I. and Ojamaa, M. (2014), 'What is the cultural function and value of European transmedia independents?', *International Journal of Communication*, 8, pp. 283–300, http://ijoc.org/index.php/ijoc/article/view/2650. Accessed 10 February, 2016.

Jassem, H. (2010), 'Convergence kills media policy: Can freedom of expression be next?', in S. J. Drucker and G. Gumpert (eds), *Regulating Convergence*, New York: Peter Lang, pp. 21–36.

Jermalavicius, T. and Parmak, M. (2012), *Towards a Resilient Society, or why Estonia does not need 'Psychological Defence'*, Tallinn: International Centre for Defence Studies, http://www.icds.ee/fileadmin/media/icds.ee/failid/Tomas%20Jermalavicius%20and%20Merle%20Parmak_Towards%20a%20Resilient%20Society.pdf. Accessed 10 December 2015.

Jõesaar A. (2015), 'Undercurrents of the Estonian Broadcasting Regulation, 1992–2014', *Baltic Screen Media Review* 3, pp. 84–99. Accessed 10 December 2015.

Latzer, M. (2014), 'Convergence, co-evolution and complexity in European communications policy', in K. Donders, C. Pauwels and J. Loisen (eds), *The Palgrave Handbook of European Media Policy*, Basingstoke: Palgrave, pp. 36-53.

Lowe, G. F. and Nissen, C. S. (2011), *Small Among Giants: Television Broadcasting in Smaller Countries*, Gothenburg: Nordicom.

Madrigal, A. C. (2014), 'How Netflix reverse engineered Hollywood', *The Atlantic*, 2 January, http://www.theatlantic.com/technology/archive/2014/01/how-netflix-reverse-engineered-hollywood/282679/. Accessed 10 December 2015.

Micova, S. B. (2015), 'Editorial', *Internationa Journal of Digital Television*, 6:3, pp. 253–55.

Pomerantsev, P. (2014), *Nothing Is True and Everything Is Possible: The Surreal Heart of the New Russia*, New York: PublicAffairs.

Puppis, M. (2009), 'Media regulation in small states', *International Communication Gazette*, 71:1-2, pp. 7–17.

Spangler, T. (2015), 'Ted Sarandos: Netflix appetite for originals growing stronger', *Variety*, 13 June, http://variety.com/2015/digital/news/netflix-ted-sarandos-original-series-1201494618/. Accessed 10 December 2015.

Tambini, D. (2012), *The End of Press Freedom*, Oxford: The Foundation for Law, Justice and Society, http://www.fljs.org/files/publications/Tambini.pdf. Accessed 10 December 2015.

TNS Emor (2015), *Eesti meediareklaamituru 2014. aasta käive oli 88,05 miljo-nit eurot/'The turnover of Estonian media advertising market in 2014 was 88,05 million euros'*, Tallinn: TNS Emor, http://www.emor.ee/eesti-meediareklaamituru-2014-aasta-kaive-oli-8805-miljonit-eurot/. Accessed 10 December 2015.

Trappel, J. (2014), 'Small states and European media policy', in K. Donders, C. Pauwels and J. Loisen (eds), *The Palgrave Handbook of European Media Policy*, Basingstoke: Palgrave Macmillan, pp. 239–53.

Tunstall, J. (2008), *The Media were American: U.S. Mass Media in Decline*, New York: Oxford University Press.

SUGGESTED CITATION

CONTRIBUTOR DETAILS

Indrek Ibrus is an Associate Professor at Tallinn University's Baltic Film, Media, Arts and Communication School (BFM). He is also the head of Tallinn University's Center of Excellence in Media Innovation and Digital Culture (MEDIT). For the last 2.5 years he has advised Estonian Ministry of Culture on audiovisual affairs and has represented Estonia in related matters in the EU and the Council of Europe. He has published extensively on media innovation/evolution, audio-visual media industries, media semiotics, transmedia and cross-media production, mobile media. He is a co-editor of *Crossmedia Innovations: Texts, Markets, Institutions* (Peter Lang, 2012) and the editor of *Baltic Screen Media Review*. He received his Ph.D. from London School of Economics and Political Science

E-mail: indrek.ibrus@tlu.ee

AMIT M. SCHEJTER AND NOAM TIROSH
Ben-Gurion University of the Negev

Audio-visual regulation transition in Israel: A view from within

ABSTRACT

The Israeli Minister of Communications appointed on 4 February 2014 a ten-member expert committee to propose a regulatory framework for the future of commercial television (broadcast and cable) in light of the imminent introduction of over the top (OTT) audio-visual services. In this study, the authors describe the process influencing the committee's final report. By comparing between the committee's interim report and its final report, the study sheds light on the way regulation is designed in an era of transition. The reader will find in this study a detailed description of the different actors' responses to new regulation proposals and will have the opportunity to observe how and if these reactions influenced the work of public servants.

INTRODUCTION

On 4 February 2014 the Israeli Minister of Communications appointed a ten-member expert committee to 're-evaluate the regulation of commercial broadcasting'. The committee was required to evaluate and craft recommendations regarding the principles and rules of regulation to be applied to:

> All actors – new and old – involved in the distribution of audio-visual content, taking a holistic perspective of the broadcasting market and

with the intent of creating balanced and fair regulation that will apply to all broadcasters.

The committee was charged as well with proposing the structure of the regulatory bodies to be involved in overseeing the audio-visual industry and in offering a position regarding current restrictions on advertising on the cable and satellite operators' own channels.

The committee held 26 regular meetings and two rounds of public hearings totalling an additional five days. The work of the committee and the dynamic of its recommendations are the subject of this study. The authors of the study are the authors of the committee's report, hence the study contains a self-reflective aspect, which affects its results. Indeed, an 'auto-ethnography is intrinsically subjective' (Custer 2014: 8); however, it also 'honors [the authors'] ability to affect the world around them' (Custer 2014: 8).

In that sense this study was inspired by Katz's (1971) 'Television comes to the people of the book', in which a social scientist reflects upon his involvement in media policy development.

AUDIO-VISUAL MEDIA IN ISRAEL

The government opposed the establishment of television in Israel since its inception in 1948 and until the occupation of the West Bank and other territories in the 1967 war. Indeed, controlling audio-visual services is a theme characterizing Israeli policy-making ever since (Schejter 2009), and should serve as a contextual background in analysing the most recent policy development as well. Until 1965, when the Israel Broadcasting Authority (IBA) was established, the government operated the radio service. IBA was designed as a quasi-public service broadcaster and in 1969 it started broadcasting over television as well.

The first telecommunications law was passed in 1982, and was amended in 1986, forming the Cable Broadcasting Council (CBC), which soon thereafter began awarding cable franchises. All cable operators merged into one entity – Hot – by the early 2000s. In 1990, the Second Authority for Radio and Television was established to oversee commercial television, which was launched in 1993 ('channel 2') and commercial regional radio, which was launched in 1995. Channel 2 is operated since 2005 by two franchise holders: Keshet and Reshet. In 2000 direct-to-home satellite service was launched – Yes – and in 2002 a second commercial channel ('channel 10') was added.

At the time the committee was appointed Internet and telecommunication services were being licensed and regulated by the government, through the Ministry of Communications; the Second Authority oversaw the two commercial television channels; cable and satellite operators were licensed and regulated by the Cable and Satellite Broadcasting Council; the IBA was an independent authority and although a new law passed dissolving it as of 2015, it was to be replaced by a virtually identical public broadcasting corporation to be established at that time.[1] Each of these providers of audio-visual services was subject to different rules as designed by its specific regulator. This resulted in different rules regarding everything from the definitions of genres of programming to prohibitions on specific types of content, and to the regulation of advertising. The committee, therefore, faced a chaotic regulatory structure that characterizes the Israeli media landscape (Caspi and Limor 1999; Gilboa 2012; Schejter 2009; Schejter and Yemini 2015).

Entity	Mode of operation	Regulated by	Comments
Israel Broadcasting Authority (IBA)	Public broadcaster	IBA	
Keshet	Franchise holder in commercial channel 2	Second Authority for Radio and Television	
Reshet	Franchise holder in commercial channel 2	Second Authority for Radio and Television	
Israel 10	Franchise holder in commercial channel 10	Second Authority for Radio and Television	
Hot	National cable operator	Cable and Satellite Broadcasting Council	Owner of 'Hot Mobile', a mobile operator
Yes	National satellite operator	Cable and Satellite Broadcasting Council	Owned by 'Bezeq', the national telco
Cellcom	Mobile operator	Ministry of Communications	
Partner	Mobile operator	Ministry of Communications	
Bezeq	National telco	Ministry of Communications	Owner of 'Yes'
IBC ('Unlimited')	Subsidiary of Electric Company deploying FTTH infrastructure	Ministry of Communications	

Table 1: Stakeholders.

Recent years have seen a number of structural reforms in the Israeli media and telecommunications sector: two new mobile operators were licensed in addition to the three that dominated the market for more than a decade, and as a result mobile prices dropped significantly. The Second Authority Law was amended in order to allow transitioning the current franchise structure to a license regime, in which television broadcasters will receive long-term licenses. Channel 10 responded first by switching to this regime. And while the committee was sitting, the Ministry of Communications enforced a new wholesale regime for last mile access to the Internet, again leading to cheaper Internet service prices for consumers.

Audio-visual services – a world in transition

The committee operated under the assumption that perhaps the most strik-ing feature of the audio-visual services' landscape in the second decade of the twenty-first century is that unlike their predecessors, contemporary media operate in what can be seen as one interdependent and integrative ecosystem. Due to this integration and interdependence, this ecosystem is fragile. It is sensitive to regulatory, economic and technological changes in each and every one of its components – traditional operators, infrastructure owners, new service providers, regulatory agencies, etc. – and the consequences of changes in this ecosystem cannot be foreseen.

The committee also was cognizant of the fact that western societies in general, and Israel among them, are in a transitional period as far as production, distribution and consumption patterns of audio-visual services are

concerned. Yet, the duration of the transition period we are in now cannot be estimated. What can be predicted are the milestones through which this transition will go. While the current production, distribution and consumption patterns persist, the public is being offered new services as a result of technological change, as well as due to the absence of regulatory constraints on many of these services. Provisional patterns of production, distribution and consumption emerge – production has become cheaper and non-professionals have joined the production cycle offering entertaining as well as socially significant content; distribution is done over unregulated networks at speeds unknown until recently and constantly growing; and consumption takes place over many screens, differing in size and both mobile and stationary. Previous transitions in media structure affected by technological, economic and regulatory changes, led at some point in time, after the trial and error period ended, to the formation of a new equilibrium (McQuail et al. 1992).

The unique contours of the Israeli media landscape

The transition can be determined by looking at the differences between the processes taking place in Israel and in the rest of the western world: the Hebrew language, which is uniquely used in Israel, the high concentration of the Israeli audio-visual market, in particular among its distribution providers (Schejter and Yemini 2015), the absence of a variety of over the top (OTT) video on demand (VOD) providers like in Europe or of dominant brands of VOD providers like in the United States, and the fact that traditional linear television viewing is still high even among young people.

At the same time the Israeli audio-visual industry is enjoying an unprecedented period of productivity. As a result of strict quotas set on both linear over-the-air television broadcasters and multichannel operators, more than 200 million US dollars are funnelled annually to support the industry, divided equally between the cable operators, the broadcasters and public broadcasting, each through their individual funding mechanism. Israeli motion pictures gain international success and formats of Israeli programmes, both game shows and drama, are carving a presence in industries around the world.

There are two major mechanisms with which competition is preserved in the Israeli system: Since 2002 a very strict cross ownership regime persists as owners of broadcasters were forced to divest of their cable holdings. There have been strict rules in place since the mid-1990s limiting the number of channels multichannel operators can have a stake in. In addition, when the satellite operator was launched in 2000, the cable operator was forced to sell its self-owned ~~channel~~ at market prices to the satellite operator so that it can launch a competitive service. The only exclusivity allowed in content by the multichannel operators is in local programming, in order to encourage local production and competition for quality content.

Yet, as said, there is high concentration in the infrastructure industries, despite the fact that a unique regulatory structure in Israel separates the provision of Internet service from the provision of access to the infrastructure. While there is talk of deployment of fiber to the home (FTTH) by a subsidiary of the Electric Company, and while fourth generation (LTE) mobile networks are becoming ubiquitous, neither are as of yet viable competitors to coaxial cable and DSL in the provision of universal and high-quality access.

Other features of the Israeli industry the committee was made aware of by the experts it invited to testify included the fact that there is a persistent digital divide along socio-economic and ethnic lines; that while the download service in Israel was up to par with international standards, the upload service was not; that the current regulatory scheme did not guarantee the provision of multicast capabilities for audio-visual OTT providers; that current 'network neutrality' regulations while very progressive in comparison to other western countries still lacked major components that would make them enforceable; and that alongside much user generated content over the net, and many new and nifty services, the Internet was becoming more and more concentrated especially with regards to global service providers.

THE PROCESS

The committee work started with a rapid process of learning. Technological experts in addition to position holders in current regulatory institutions were invited to speak with the committee on the issues. Then, a first round of public hearings, first in written submissions and then in oral testimony, was called. Public comment was sought regarding the committee's mandate by publishing a call for participation on the Ministry's website. In response, 32 individuals, organizations and corporations submitted comments in writing and 23 of them appeared in front of the committee. They included the cable and satellite operators, some of the existing broadcasters and cable channel operators, NGOs representing a variety of interests, mostly on behalf of the creative players in the industry, the mobile phone operators, technology companies including Microsoft and Google, and the regulators of existing audio-visual services.

In August 2014, the committee published an interim report. It represented the committee's initial thoughts about the future regulatory regime. Following that report, the committee published a second call for public participation and received 31 comments. Eighteen authors of those, which had referred in their comments specifically to the interim report were invited to provide oral testimony as well. A special emphasis was made to ensure that all those whose livelihood was to be affected by the new regulatory landscape – mainly those in the creative industries – have an opportunity to be heard. Following this second round of hearings, the committee drafted its final report.

The committee decided to freeze its operations and await the formation of a new government when the Israeli parliament voted to disassemble and new elections were called. A few months after the new government was formed, the committee's recommendations were presented to senior officials on behalf of the prime minister who assumed the role of minister of communications as well.

The central 'principles' of the interim report, the public responses and the final recommendations

In order to shed light on the committee's work we compared between the interim report and the final report submitted by the committee, while highlighting what comments were made by the public in the process that led to those changes.

The interim report consisted of 22 'principles for action' and a list of questions to the public regarding each of those principles. The final report

2. Minimum monetary investments by the broadcasters.

holds twenty recommendations some of which differ from the principles in the interim report. In Appendix 1 we provide the executive summary of the recommendations published in the final report.

In the final report, seven 'principles' were maintained as-is. Four recommendations developed out of questions presented to the public. In twelve cases, while the principle was maintained, it was either elaborated upon, collapsed into a recommendation with one or more other principles, or moved to a different location within the list of recommendations. We now describe those principles that can be of interest to an international reader as well as the principles that elicited the largest number of responses, the responses, and the form the final recommendation took.

Content obligations

Principle #4: The current content obligations should be eased as well as the detail in which they are enforced; however the total support for local production should not be lowered.

This principle came with specific references to amendments that need to be done in a section of the law that allows the regulator to enforce specific genres of programming on the broadcasters and a long list of rules in the second authority and CSBC regulations that regulate content in much detail.

The forum of documentary film creators was alarmed by this principle as they saw it as a threat to the documentary genre. As a response, they asked the committee to protect specifically two documentary channels on the cable and satellite platforms. The screenwriters' guild did not oppose the principle, yet it raised doubt whether under such regulation the standards for 'production quality'[2] can be maintained and the general public interest can be served. The authors' and composers' collecting society also did not oppose these changes in principle, as long as the total investment in local production will not be lowered.

Among the rules the committee proposed to eliminate under this principle was the requirement that programming schedules be approved ahead of time by the regulator. While not opposing this change, the screenwriters' guild asked that it be rewritten in a way that will allow the regulator to re-impose such pre-rulings if the need arises. An interesting disagreement came with regards to the recommendation to eliminate the parliament's role in approving content genre quotas. The broadcaster Keshet (channel 2) feared this would leave the regulatory bodies as 'the only regulator' and will thus prohibit 'decentralization of regulation'. On the other hand, the screenwriters requested that the powers still vested in the minister of communications be scrapped as well in order to eliminate all 'political influence on the content of broadcasting'.

The rules' simplification process applied to approximately 40 rule changes. Naturally the multichannel operators and the broadcasters asked for additional easing of the rules. At the same time the screenwriters and the documentary film-makers feared, for example, that a rule providing regulators with the discretion to ease rules ad hoc would endanger levels of quality local production. In other words, the operators and broadcasters asked for less regulation, while the bodies representing the creators crafted very fine distinctions between deregulatory moves they agreed with and others they opposed, always fearing it would serve as an opportunity for the broadcasters and operators to get away with 'low quality' programming.

Indeed, the committee was not under the impression that the elimination of these rules would lead to a drop in commitment to quality, but it seemed the embattled creator guilds were not in a position to give up any of what they saw as significant achievements in regulation they have made over the years. Exactly the opposite sentiment came naturally from the operators. The one rule the committee proposed to raise regulation in – to set a fine of doubling the required investment in quality local programming if an operator does not fulfil their annual obligation – met a fierce response from the satellite operator who saw it as furthering the imbalance between established operators with strict content obligations and new OTT entrants on which (in their view) there were no such obligations. The creators however, did not meet the 'doubling rule' with enthusiasm and support but with scepticism that represents the suspicions between the rival actors.

Recommendation #10 (C): Starting with the beginning date of the regulation according to these recommendations and until the transition of existing license and franchise holders to the new regime, regulatory requirements regarding content will be lowered as will the nature of the supervision over content, however there will be no change in the level of investment required in 'upper genres', which are defined in the Israeli regulatory framework as documentaries and dramas.

The changes made:

1. A date certain for the recommendation was set.
2. The recommendation became a bit more specific in order to ensure the focus on 'upper genres' is noticed.
3. The recommendations became part of the broader recommendation regarding the content industry.

Scope of regulation

Principle #5: Regulation will apply only to audio-visual service providers that fulfil set criteria.

The criteria offered in the interim report were for a *professionally produced* and *for profit* service with a *minimum number of subscribers/users* (to be determined):

1. Whose *main goal* is the provision of audio-visual services
2. That is provided over an electronic infrastructure
3. That has a mechanism for searching or organizing content
4. That targets mainly the Israeli audience, according to the current definition used to limit transborder satellite broadcasts: that the broadcasts are in Hebrew or contain Hebrew subtitles or sell advertising ~~Israeli~~ advertisers.

Naturally, the characteristics of the service are at the core of the whole regulatory scheme, hence the recommendation elicited a large number of responses. Two academics wrote the committee that there is no need for any type of regulation of content over the web. However, they added that a million unique users a month or half a million subscribers or a monthly income of NIS 40M (about US $10M), can serve as a minimum to apply content regulation. The channel 2 broadcaster Keshet requested that market share in the adver-

3. The Israeli Parliament.

tising market should also be taken into account. The creators' collecting society thought that the minimum requirement should be scrapped, while the editors' union asked that the test should be minimum income and not minimum profit (the report did not state either). The actors thought that subscriber numbers were a bad criterion and that only income should be considered relevant. They proposed creating a two-tiered system in which a minimum level of investment in programming will be based on a corporation's total income and a higher rate on the income from content services.

Partner, a mobile operator planning to launch an audio-visual service, asked that 'non-linear' services would be spelled out as falling under the criteria. The website Walla!, Keshet, the collecting society, and Cellcom, another mobile operator aspiring to become an audio-visual operator, all offered criteria for defining 'targeting the Israeli audience', while the documentary film-makers doubted whether such a rule is applicable with current technology that allows disguising IP addresses. A similar concern was raised by the actors' guild. Hop, an independent children's channel on the current multichannel offering proposed making programming in Hebrew as the distinction regarding children programming 'targeting the Israeli audience'.

The focus of the regulation on 'professionally produced content' raised the ire of Keshet that thought YouTube should also be regulated as an infrastructure (and not as a content provider). The actors' guild thought the requirement was superfluous since the obligations are set on the infrastructure operators.

Walla! thought the regulation should be applied only to 'TV-like' services. It included in this definition a very detailed description of what 'TV-like' is, clarifying it is identical to existing multichannel providers. Google also proposed to scrap the whole definition and replace it with 'TV-like' services and added to the description even a requirement for a set-top box. Google also opposed any test based on income, claiming that any request for such data from an operator is an affront to their constitutional rights for human dignity, privacy and freedom of occupation. Tutitu, a YouTube-based content provider for original children programming, stated erroneously that the report does not distinguish between providers based on their size and protested the requirement to divulge what their income is. The screenwriters wanted the public broadcaster to be added to the definition. The actors wanted to ensure that future 'infrastructures' fall within the definition. The second authority, regulator of broadcasters in the current regime, thought the idea of technological neutrality was wrong altogether, and that broadcasters should have more obligations. The Electric Company thought the new definition may be too broad and that too many websites will fall under its wings.

One of the questions to the public under this principle was regarding the future of the single multiplexer currently distributing six over-the-air digital channels: the two commercial channels, two public channels, educational television and the Knesset[3] channel. While the actors' guild wanted the digital television platform to be maintained as a niche service, all others who commented on this question thought that the over-the-air channels should become part of any multichannel service. An aspiring OTT provider Free, thought that providing free access to these channels will serve as a 'newcomer defense' for new service providers. Other commenters (the Electric Company, Partner, and Hot, the cable operator) stated the channels should be offered free on all platforms.

Recommendation #2 (B): A service to which the following applies will be defined as an 'audio-visual service':

1. Its main target is to offer consumers a variety of audio-visual content and genres whether by multiple linear services, by non-linear service or by a combination of both.
2. It can be viewed by an electronic infrastructure.
3. It provides professionally produced content.
4. It includes a mechanism for organizing content or a schedule, as applies.
5. The content it provides is content initiated by the service provider.
6. It is targeting the Israeli public.

The changes made: The recommendation became part of the principle of technological neutrality and the criteria were maintained. One criterion was added: 'The content it provides is content initiated by the service provider'.

Licensing regime

Principle #6: Audio-visual service providers will be required to register with the ~~regulator.~~

Licensing is a fundamental element of audio-visual service regulation (Schweizer et al. 2014) and the Israeli regulatory landscape is no exception. According to common interpretations of the existing law, OTT services can be defined as 'cable services' that require a license to provide services. Thus, this principle was probably the most game changing of the proposed regulation.

The significance of this change did not go unnoticed by the commenters. Hot, the cable operator, and Yes, the satellite operator, stated straightforwardly that any provision of content over the net utilizing multicast or other guaranteed levels of service, requires a license. However, Hot offered that new services have six months of a 'soft launch' before being required to apply for a license, while current license holders (namely the mobile phone companies) should be required to have a license for the new service from the start.

The screenwriters, the creators' collective society and the second authority as well, all opposed the registry system. The Electric Company stated that the relief the registration system offers, would not in itself serve as an incentive for new players to enter the market, if it comes together with a long list of obligations that will serve as a deterrent.

Within this principle the committee asked the public to propose possible sanctions a regulator should still be able to impose under the new regime. The editors proposed sanctions that included ceasing of service for a set time, non-recognition of adherence to production quotas, doubling the required investment in local programming, and limitations on advertising time, whenever a provider does not withstand content and ethical obligations. The producers seconded the editors' suggestions, while the actors focused on doubling obligations for investment in local productions and doubling its broadcast time.

Recommendation #5: Audio-visual service providers that adhere to the definition in recommendation 2 will be required to register in a registry to be managed by the Communication Authority.

The changes made: Although it received fierce criticism, the committee decided that in order to promote a competitive market in Israel this principle should not be dismissed.

Principle #7: Regulatory obligations will be set on new service providers gradually based on their income and number of subscribers.

This principle was accompanied by questions to the public regarding the three elements of the proposed rule: what should be the minimum income, what should be the minimum number of subscribers and what should be the obligations that need to be met gradually. The committee proposed six types of obligations: ethical obligations, ethics in advertising, access to people with disabilities, protection of minors, support for local production and 'must carry'.

Keshet thought there should be no gradual imposing of rules, and that new providers should immediately be subject to protection of minors and contribution to local programming (alongside easing obligations on current broadcasters). The screenwriters too thought that it is not appropriate to have service providers with no obligations but in any case that the minimum test should include either income or subscribers and not necessarily both. A similar position focusing on the need to prevent service providers from 'hiding' either income or subscribers using accounting schemes was raised by Hot and the actors' guild.

The collecting society thought that thresholds may lead providers to artificially stay under them so as not to fall within the obligations. The second authority reiterated its position that for those utilizing the spectrum there should be unique obligations. While the documentary film-makers thought immediate obligations should be set on all, Partner, who saw itself as a future operator stated that beyond customer service there should be no obligations set on new entrants.

Regarding specific questions raised under this principle, Hot thought 50,000 subscribers should be the threshold for falling under the obligations. The actors thought that it should be 6–7 per cent of the market of subscribers. The screenwriters sated that all ethical obligations and those pertaining to minors should apply immediately, and the actors added to that that only the obligation regarding the investment in local production should be applied gradually based on the income of the provider.

Some of the commenters focused on specific types of obligations. Keshet thought that broadcasters should be allowed to sell political advertising time from which they are prohibited today. They also thought existing obligations regarding access for people with disabilities were sufficient. Tutitu thought that existing obligations regarding the protection of minors were sufficient, while Cellcom thought that the solution for this challenge lies in education and state-funded media literacy programmes.

Recommendation #20: The new regulations proposed in this report will take effect within a year of the publication of the law adopting them.

The changes made: A date certain for the kicking in of the new regulations was set instead of a gradual transition based on market size considerations. Still, rules regarding market size and the determination of significant market power were established in the context of content obligations.

Support of local content

Principle #10: The regulation of the communication ecosystem will serve the quality local content market and its achievements.

The issue of local production and the support it receives can be seen as one of the central issues threatened by the changes in the audio-visual industry

(Park et al. 2015). Broadcasters and multichannel operators are regulated in order to ensure support for local content. A total of 8 per cent of the income of the multichannel operators is channelled to investment in local productions, half of which are defined as 'upper genre' productions (dramas, documentaries or other specific programmes), Broadcasters are subject to a more detailed regime that also results in a minimum investment in similar 'upper genre' productions, however that minimum investment is set in absolute hours of programming and absolute minimum expenditures, regardless of income. The challenge of the committee was to maintain the existing levels of investment in those local productions in light of the expected drop in income of the multichannel operators as a result of the impending competition and perhaps a similar trend for broadcasters as a result of the transition of advertising from television to the Internet.

The committee spelled out the principle as the need to establish 'a mix of obligations that represents the changing media environment' and asked for public comment on the means by which to encourage more local production in the new landscape, to determine what types of content need to be protected, and on the mechanisms to ensure both quality and diversity in the local programming. In the existing regime there are two angles to the obligations – one is the level of investment, the other the placement of the programming on specific channels and at specific times. This latter arrangement becomes irrelevant in a media landscape dominated by non-linear and on-demand services. This principle alone garnered 37 different comments from a majority of those who participated in the consultation.

The existing broadcasters and multichannel operators requested that the obligations will be shared by the new service providers while the different creator unions and representatives focused on ensuring the current levels of support for the local industry are maintained. Other stakeholders proposed adding support to types of programming they were engaged in producing.

Thus, Keshet wrote that the obligation should be based on a ratio from the 'available income' of operators, and not a set sum (as it is today regarding broadcasters). They added that the obligations should be set on a variety of contributors: current licensees and operators, the public broadcaster, infrastructure operators and new providers of audio-visual services. They also offered to create government support for the industry. Hot stated that the best way to preserve the level of production is by ensuring all actors in the industry contribute to this effort.

The editors' union stated the interim report does not offer enough protections to the creators and proposed adding a rule that service providers who do not reach an agreement with the unions regarding fair compensation to the creators will be fined by the regulator and their programming will not be recognized as fulfilling their obligation. The authors' collecting society proposed setting the obligation on all audio-visual operators starting on the day they begin to provide services, however with a grace period at the beginning of their operations in which the commitment will be half of that set on current multichannel operators.

The screenwriters' guild proposed giving incentives to those operators that would offer original programming. Incentives they crafted included tax benefits and support from a national support fund. The producers' union also suggested giving incentives to operators that fill their obligation, by allowing them to access a public fund, and the documentary film producers seconded the tax benefit proposal. The collecting society thought that allowing advertising

in these programmes would help support them. Currently, no advertising is allowed on the cable and satellite operators' own programming. There are no limitations on advertising over the Internet.

The actors' guild thought that support should be limited only to drama and documentaries. The collecting society suggested that musical programs as long as they are not 'reality shows' should also enjoy such support and be considered 'upper genres'. The documentary film-makers stated that it is the 'complex single documentary film' genre that is endangered by any change to the existing rules. Partner stated that heavy obligations on newcomers will be counter-productive, yet on the other hand they sought a 'must sell' obligation to be set on existing operators, forcing them to share their content with the new operators.

The question of maintaining diversity brought about a number of different responses. The documentary film-makers thought that diversity in the composition of decision makers in the different regulatory bodies could enhance diversity in programming. The producers suggested that an obligation on airing original programmes would increase diversity. Hot and the actors' Guild, on the other hand, stated that no further regulation improving diversity is needed beyond the current rule that requires that 50 per cent of programmes are produced by producers independent from the operators. Keshet, however, stated that 20 per cent of broadcasting time given to independent producers is appropriate.

Google submitted that 'no regulatory mechanisms are needed to ensure diversity and decentralization' as those are 'at the heart of the Internet'. Yes and Keshet requested even easing of current rules, the former of the rule requiring that they share the content they invest in with independent channels, and the latter that the limitation on the use of their own studios for production will be lifted. The screenwriters, the producers, and the documentary film-makers on the other hand, stressed that decentralization of the production process needed to be maintained to ensure diversity. While Yes and the actors' union thought there was no need in maintaining geographically local quotas in today's global media environment the producers still thought it was needed.

Recommendation #10: The regulation of the communication ecosystem will preserve the quality content industry in Israel and its achievements.

The changes made: The principle was maintained, but was broken down to detailed provisions.

Principle #11: The obligation on supporting quality Israeli content should be divided between infrastructure providers and content providers at the end of the interim period.

To date, support of local content on the multichannel platforms is achieved through an obligation set on the multichannel operators to invest 8 per cent of their gross income in local content, about half of which is earmarked to the 'upper' genres: drama and documentary. The committee feared that with the introduction of new services, the price wars will lower operator revenue and the amount of money dedicated to local content will decrease. The recommendation, therefore, was to move the onus of the investment to providers of infrastructure, since those are the ones mostly enjoying the rise in consumer demand for content services and since no price-dropping competition was envisioned there.

1   The reactions of the players were naturally very much aligned with the
2 impact of the recommendations on their business models. Keshet, a broad-
3 caster, thought the obligation should also apply to virtual infrastructure
4 owners. Hot, who currently provides both cable infrastructure and multi-
5 channel content, objected to the transition claiming it is contradictory to the
6 current policy of transition to the selling of wholesale capacity of broadband.
7   Yes, a subsidiary of Bezeq, the national telco, hence an infrastructure
8 company, and a provider of multichannel audio-visual content, proposed
9 a gradual investment obligation that differentiates between a new service
10 provider that has a telecommunications license and infrastructure (such as the
11 mobile operators), a new service provider that only has a telecommunication
12 service license, and a new service provider that has neither. The obligation
13 should fall sooner on the former and later on the latter. Yes' parent company,
14 Bezeq, opposed this regulation and claimed that it will not enjoy any benefit
15 from the enhanced traffic on its infrastructure, and that it has no control over
16 the content of those services.
17   IBC, the fibre initiative of the Electric Company stated that it differs from
18 other infrastructure companies because it is not part of a conglomerate in
19 which there are both infrastructure and content operators. Partner stated
20 that the obligation should fall only on holders/owners of wire infrastructures
21 and not on wireless and that in any case there should not be an obligation
22 set at this point on future providers of audio-visual services. Cellcom, the
23 other mobile operator at the time, who eventually launched such a service in
24 December 2014, stated that no obligations should be set on new providers of
25 service.
26   Among the creator unions this recommendation was naturally more
27 popular. The actors' guild supported setting the obligation on the infrastruc-
28 ture providers and stressed it should come on top of, and not instead of, the
29 obligations of content providers. It also proposed a progressive commitment
30 set on them, with a growing ratio of their income earmarked for content
31 support as their income grows. The directors' union thought that the obliga-
32 tion should be set on any infrastructure provider over whose network there
33 is consumption of data. The documentary film-makers stressed that the way
34 to ensure continued level of support for quality local content was through the
35 mechanism of minimum investment in individual programmes.
36   In response to the committee's questions regarding the so-called 'empty
37 cassette' tax that existed in the past, in which empty cassette sales were taxed
38 for the potential recording they would eventually include, the documentary
39 film-makers offered support for such a policy. This support was seconded by
40 the screenwriters' union, which suggested that smartphones act as 'empty
41 cassettes' for this matter, and also proposed the taxing of foreign movie tickets
42 for the purpose of supporting local content.
43   In response to the committee's query regarding the introduction of
44 incentive systems, Yes stated that the existing investment scheme should be
45 replaced by an incentive scheme to operators that meet set standards. The
46 producers' union agreed but on condition that incentives will be provided
47 only to those meeting minimum standards. The editors' association suggested
48 an incentive scheme to operators that adopt 'green', or environmental friendly
49 practices.
50   The committee's question regarding the launching of a new support foun-
51 dation that would partially replace the direct investment of operators was also
52 supported only partially, by the actors and the directors. The documentary

film-makers thought that the launching of another foundation would require a new unneeded bureaucratic infrastructure, thus the support should be transferred to the existing foundations. The collecting society wanted to ensure that the infrastructure companies also pay royalties due to the huge amount of content traffic over their networks.

Recommendation #10 (A): The obligation to support quality Israeli content financially will be split between infrastructure and content providers. While current regulations set all obligations on content providers, the committee sought to split the needed investment so that 70 per cent of the financing will originate with the infrastructure holders and only 30 per cent with the content providers. This was done in order to ensure that the level of support, which is determined by the income of the content providers, will not drop as a result of a price war between new and old operators.

The changes made: The principle was maintained and collapsed with all recommendations regarding the support of local content to one recommendation.

Regulatory structure

Principle #13: An integrated regulatory authority for the communications sector should be established.

The committee was unanimous in the opinion that all regulation should be managed by one entity, with technological neutrality its guiding principle. This recommendation came on the heels of at least half a dozen government resolutions and two draft bills that have recommended the same in the previous two decades to no avail.

Keshet, the actors and the collecting society highlighted that it is important to stress the unified regulator's independence. Yes requested that the relationship between the new unified regulator and the antitrust authority be established and tight so that no conflicting decisions are reached on issues they both have a say in.

Specific questions raised in the report elicited some more attention. Cellcom and the actors' guild agreed that audio services should be regulated by the new entity as well. The actors' guild was the only commenter, who referred to the committee's question regarding the inclusion of the public broadcasting authority under the auspices of the new regulator. It supported such a relationship.

The question of the regulator's structure attracted a few responses. The screenwriters asserted that the new regulator should oversee the proposed fund to be created to support original content. They also proposed the establishment of two councils: an administrative one that would oversee the registration of audio-visual service providers and a 'professional' that would govern the content support fund. The actors' union was of the position that the regulator should focus on a narrow set of regulations surrounding original content as its main effort. They proposed that it is structured in four departments: commercial television, multichannel television, public broadcasting and audio services.

The Second Authority, arguably the institution with the most experience in overseeing audio-visual operators, proposed a strict division of powers between the public board and the executive level. Yet, it suggested that the chairperson of the public board should also serve as vice chairperson of the

executive board. The authority was of the opinion that the regulator should be funded from levies set on the operators, and that while it should be established outside the government, it should be subject to the legal determinations and dictates of the attorney general.

Yes and the actors' union objected to the idea that the regulated should fund the regulator. The idea of introducing self- and co-regulation in Israel was supported by a wide coalition consisting of Keshet, the screenwriters and the actors. The latter though advocated maintaining a clear hierarchy between the regulators and the regulated when it came to their joint decision-making.

Recommendation #1: A unified regulatory authority overseeing broadcasting and telecommunications should be established.

The changes made: The principle was maintained and the recommendation became the first in the final report in order to stress its importance.

Principle #15: The communications authority will focus on the provision of universal service and access.

The committee heard in the hearings many complaints about the quality of Internet service in Israel. As a result, it called for an improvement of the symmetry between upload and download streams and for the introduction of multicast capacity in the middle mile.

Supporting the introduction of multicast, Partner was of the opinion that that the regulators today have sufficient tools to oversee the interface between content and infrastructure providers. However, it asserted, setting a universal service obligation on content providers that are dependent on others' infrastructure has no place. Cellcom stated that it 'intends to provide its service nationally, therefore there is no need to create a [universal service] obligation'.

The committee wanted to know whether the responsibility regarding quality of service should fall under the universal service obligation. Both Cellcom and Partner thought content providers have no control over the quality of service, which is infrastructure dependent and should thus be exempt from such a responsibility. Both of them also objected to a uniform offering of services for the whole country. Only Cellcom referred to the committee's concern regarding services to people with disabilities and thought it could be handled through self-regulation and existing rules.

Recommendation #3: The Communication Authority will strive to ensure service and access to the whole public.

The changes made: The principle was maintained and the recommendation it elicited was promoted from 'principle #15' to 'recommendation #3'.

Competition

Principle #8: Specific regulatory obligations will be set on audio-visual service providers that are also owners of infrastructure.

The Israeli mobile phone companies were those in the committee's mind when setting this principle. Expectedly, it was celebrated by the current broadcasters and negated by the mobile companies. Cellcom, for example, found existing competition rules sufficient to deal with any discrimination this situation may bring about. Partner on the other hand thought that such special obligations should only rest on owners of wireline (unlike wireless) infrastructures.

A specific question to the public under this principle sought to elicit ideas regarding the regulatory tools that would ensure that no discrimination by infrastructure owners could take place. Keshet advocated full separation between content and infrastructure providers. Free requested preferential access to the low and cheap bands until the competitors reach a certain predetermined market share. The Electric Company thought structural separation between content and conduit would suffice. Partner promoted three principles: network neutrality, multicast capabilities, and a regulated wholesale market for bandwidth.

Recommendation #8: Unique regulatory obligations will apply to:

A. Audio-visual service providers that are also owners of infrastructure
B. Audio-visual service providers that are also license holders.

The changes made: The principle was maintained and was expanded to include license holders as well.

Principle #17: A must carry obligation of channels preserving public interests will apply to audio-visual service providers in the new communication environment as well.

Must carry obligations of the public and commercial broadcasting channels have been a staple of the Israeli multichannel system since its inception in the 1980's. The committee stated that in the new more segmented environment the must carry obligation is needed even more than previously. In the interim report, the committee asked the public to state which channels should enjoy that protection and whether the multichannel carriers should be required to pay for carrying those channels.

A factor influencing different positions was a government-led legislative initiative that took place in the summer of 2014 and aimed to obligate all broadcasters to retransmit their signals over the Internet, so that future audio-visual service providers that wish to include these channels in their service provision will be able to do so. The ministry carried on this initiative despite the fact that the committee chairman objected to it, saw it as interference in the new ecosystem that does not take into account its full repercussions and notified the minister of his objections.

Indeed, Cellcom, which was most prepared to launch a new service, simply stated that no must carry regulation is needed beyond the existing regulations (which apply only to the existing players). It stated that this should be the policy, as it goes in line with the government's aforementioned proposal. Partner, thought that ensuring that new operators can carry these channels for free would remove a major barrier to entry for new service providers.

Reshet objected to a must carry provision unless the broadcasters are paid for their channels; an obligation is set on multichannel operators to publicize the level of viewing of these channels over their infrastructures, so that the ratings could be used in negotiations with advertisers; and strict content obligations are set on new multichannel operators in return for the carriage of the broadcast channels. Keshet focused on the creation of a compensatory mechanism for broadcasters if indeed must-carry is instilled.

Channel 9, a government-licensed Russian language channel, asked to be carried as well on both the over-the-air digital infrastructure and by new over-the-top audio-visual operators. The documentary film-makers suggested that

a documentary film channel should also be part of the must carry obligation. They also requested that on-demand services would be required to offer documentary content as a distinctly marked service. The actors' union thought only the public channel should enjoy a must-carry status, and other channels should suffice enjoying the over-the-air digital carriage they are provided with today. They also stated that the only situation in which must carry should not be enforced is when the service provider is providing a niche content service.

Recommendation #13: The 'must-carry' obligation of linear television channels will be adjusted to the new broadcasting environment:

A. The obligation will apply only to platforms wishing to include linear services in their offering.
B. The obligation to carry public and designated[4] channels will be free of charge.
C. Commercial linear channels will be carried free of charge by multichannel audio-visual service providers that ~~chose~~ not to broadcast advertising in their own programming offering or ~~that their~~ licenses forbid them to do so.

The changes made: The principle was maintained, yet it was re-devised in order to also serve as a mechanism to support the creation of a competitive field.

Principle #20: Regulation ensuring fair competition and prevention of concentration will endure.

Israel has a meticulously defined set of rules designed to ensure competition within the media industries and to prevent concentration (Schejter and Yemini 2015). The committee thought preserving those mechanisms was essential for healthy growth of the industry. The relationship between the future communication regulator and the antitrust regulator needed to be determined at this point, as well as the different existing communication-specific mechanisms.

Hot thought the committee was not required to address these issues, in particular its own rights in the programmes it has produced in the past. Hot's position emanated from the fact that in the previous introduction of competitors to the audio-visual field – the launch of Yes – Hot was forced to sell its content to its nascent competitor. It added that since there are currently tens of channels produced by independent producers, they should suffice as a basis for the new competitors' service.

Cellcom and Partner thought that a 'must sell' obligation should be enforced on the incumbents Hot and Yes, at least with regards to content they had already broadcast. Cellcom even proposed explicit rules for such sale. Their position was supported by the producers' union. The producers' union also supported the proposed rule that all content providers will be provided access to all service providers, upon request. Partner thought this rule should apply only to wireline and not to wireless infrastructure.

There seemed to be general agreement that the antitrust authority should be a partner in maintaining competition in the field. It was a position presented by Cellcom and the producers' union. Partner stressed that such cooperation is incumbent as no new broadband infrastructure deployment is expected to take place in the near future. Yet, the producers' union warned that the antitrust commissioner should not have a position in issues regarding content.

4. 'Designated channels' are government sanctioned and licensed channels currently provided over cable and satellite, which target specific populations or interest groups. They include the Russian language 'channel 9', the music 'channel 24' and the religious 'channel 20'.

Recommendation #16: The regulatory framework ensuring fair competition and prevention of concentration in the content industry will be maintained.

The changes made: The principle was maintained

Principle #21: The regulatory framework will continue to differentiate between the financing regimes of the different service providers according to the existing rules.

The question of financing was one of the three specific questions that appeared ~~in the original appointment letter of the committee~~. Historically, advertising was exclusively allowed only on broadcast television. Cable and satellite providers that enjoyed income from subscriptions were prohibited from advertising on their own channels. The committee believed the economic logic behind these rules persisted.

For some reason Reshet read this principle to say that the advertising market will be liberalized. It expressed its disapproval of such a change. Keshet, on its part, called to eliminate current permits to the public broadcaster and limited programs on cable to broadcast underwriting announcements, and to prohibit further advertising by the public broadcaster, any service provider that charges a subscription fee and even on the websites of these service providers. Hot claimed that the committee's position was not based on an economic study of the relevant market. The Second Authority agreed, claiming that the report does not take into account the size of the advertising market, which should be the determining factor for taking a position on the matter.

Yes stated that a levelled playing field with regards to the airing of advertising should be applied to all players. 'It is impossible to allow new providers to advertise without giving permission to the established broadcasters who have been waiting for many years to get this approval', it added. The actors' guild, to the contrary, thought that allowing new players to both advertise and charge subscription fees will help them in their first steps in a saturated market. Partner stated that allowing the existing multichannel providers to advertise will create yet another barrier to their own entry into this market.

As far as the content of advertising goes, the actors' guild believed that ethical rules should be maintained but limits on the amount of advertising minutes per hour should be eliminated. Partner stated that general law should govern the content of advertising and that there is no need for special ethical rules.

One thorny topic that has been debated for long in the Israel media regulation sphere is the regulation of product placement. The committee asked for a public response on this issue in the context of advertising regulation. Channel 9, Keshet, the editors' union, the actors' guild and Ananey Tikshoret (an independent channel producer) all favoured the approval of product and brand placement yet all agreed there should be limits in certain genres such as news, documentary films and children's programming.

Recommendation #12: New audio-visual service providers will be allowed to choose between one of two means of financing: advertising on their own broadcasts or funding through payment (such as: monthly subscription or pay-per-view).

Recommendation #19: Regulations allowing product and brand placement based on the principle of transparency to audiences will be established.

The changes made: The principle was tweaked and designed within the context of the 'must carry' obligations (recommendation #13) and a recommendation to regulate product and brand placement was added.

ANALYSING THE CHANGES AND A SUMMARY

In principle, the two reports cannot be compared fully, since in a number of cases, due to the design of the interim report as a 'notice of ~~enquiry~~', certain issues were presented in the form of a question under the heading of a 'principle'. Still, one can quite clearly identify that the committee was responsive to the comments made by the public to the extent such responsiveness was possible.

Indeed, a public servant with an open mind cannot disregard the public comments he elicited. At the same time a very clear picture arises from the comments and two observations are apparent: most of the comments are self-serving and many of the comments are not taking into account the emerging technological landscape, but are rather rooted in the existing structure of the industry. Under such constraints, making changes to the proposed principles based on the public comments requires a balancing act.

One central recommendation was changed: the proposal to have an interim period that would end when certain market conditions take place. This idea was rejected across the board by all commenters. Under such circumstances, it ~~is~~ not hard for the committee to rethink its recommendation. The players all sought regulatory certainty, and during the oral testimony the axiom according to which the temporary is the most stable condition was raised more than once. The logic of the objection was clear and legitimate. On the other hand, other recommendations were the subject of rather expected positions: broadcasters wanted to be paid for the carriage of their channels, while both established and new platform operators did not want to pay. Potential players wanted reduced obligations, while established players pointed out to the fact that the potential players are powerful economically and do not necessarily deserve a break, and so on.

Public participation in policy-making is called for in order to overcome an inherent distortion in the government-controlled process in which normally only stakeholders and experts take part (Obar and Schejter 2010). However, in the situation we encountered here, the only participants were indeed stakeholders. Taking their input into account, against the better judgement of the non-aligned experts appointed to the committee, is thus not necessarily a good thing. Indeed, the use of 'professional authority and technocratic methods to buffer power elites against political challenges from below' (Fischer 1993: 169) using 'scientific' language and masquerading ideological policy positions as 'science' promotes the illusion that professionals and experts using 'scientific' jargon can solve political problems, while in effect it restricts public and political argument and participation (Forester 1989: 141), however it also stands as a defence mechanism of the public against the attempts of powerful stakeholders to control the discourse.

Public participation is a strategy that is geared at enabling decision-makers to transcend levels of boundedness they are entrenched in and work 'toward effective equality, substantive democratic participation and voice' (Forester 1989: 61); however, in a process dominated by the voices of stakeholders such as the one we experienced, that goal is not truly achieved. That, as well, was a challenge for the committee.

Indeed, when the committee reconvened following the second round of hearings, it was not the input of the stakeholders that seemed to affect the results. If one can reflect on the process truthfully, it was the lack of sophistication and the very-expected self-serving nature of the public response that

may have contributed to the committee spending more of an effort on the rearranging of the principles when translating them into recommendations, than on changing them.

Indeed, the order of the recommendations in the final report is dissimilar to their order in the interim report and the order of recommendations is not a trivial matter. The final report is built from the general to the particular: it starts with the description of the regulator, it moves on to the definition of the regulated, and then it specifies the rules of the emerging industry. It starts with the areas of regulation that the players will be subject to and then it discusses in more detail the structural rules of the industry. It ends with specific rules that need to be adjusted from the current regime, including deceptive practices such as product placement, and operational challenges such as the measuring mechanisms. This type of thinking cannot emerge from the stakeholder response, which by definition pulls to the self-serving narrow interests.

The regime we proposed may have been affected by the comments of the stakeholders in that their concerns elicited some of the proposed designs: the importance of the broadcasters' fare and the 'must carry' regime for example was highlighted in the responses, and the recommendation to use it as a tool was developed as a result. But beyond these relatively minor points and their like, the issues that are raised in the public consultation are dictated by the stakeholders and thus cannot serve as a sufficient tool for providing policy-makers with new insights they may lack, which will serve the public interest, at least in our experience.

The report and its recommendations are at the cutting edge of the development of regulation of the new media ecosystem. Virtually all advanced western economies are confronting the same issues and try to provide answers that resonate well with their political culture and economic realities. We believe that this article, which highlights the process that took place in Israel in developing recommendations for a new regulatory landscape may help policy-makers elsewhere see where the dilemmas lie. The background provided by this thick description of the development of the recommendations and the stakeholder input in it, and the uncertain fate of these recommendations in light of the political realities described herein will provide any future students of the landscape that will develop with a good base of knowledge to try and understand why it is the way it is.

ACKNOWLEDGMENTS

APPENDIX 1 – THE COMMITTEE'S FULL LIST OF RECOMMENDATIONS

Recommendation #1:
A unified regulatory authority overseeing broadcasting and telecommunications should be established.

Recommendation #2:
A. The Communication Authority will regulate the activities of the audio-visual service providers based on the principle of technological neutrality.

This principle requires that future regulation will disregard the technology by which audio-visual services are transmitted and will refer only to the service's character.

B. A service to which the following applies will be defined as an 'audio-visual service':

1. Its main target is to offer consumers a variety of audio-visual content and genres whether by multiple linear services, by non-linear service or by a combination of both.
2. It can be viewed ~~by~~ an electronic infrastructure.
3. It provides professionally produced content.
4. It includes a mechanism for organizing content or a schedule, as applies.
5. The content it provides is content initiated by the service provider.
6. It is targeting the Israeli public.

Recommendation #3:

The Communication Authority will strive to ensure service and access to the whole public.

Recommendation #4:

The Authority will propose a list of issues to be regulated through co-regulatory means.

A. During the first year following the introduction of the new rules, service providers will be provided with time to convene and develop rules on the following five topics:

1. Ethics
2. Ethics in advertising
3. Classification and rating requirements
4. Reporting schedules to the regulatory authority
5. Measurement mechanisms for audio-visual services' consumption

B. ~~No sufficient rules in the eyes of the Authority should~~ be developed regarding subjects 1–4 within a year and subject 5 within two years, the Authority will be free to exercise its authority on these subjects.

Recommendation #5:

Audio-visual service providers that adhere to the definition in recommendation 2 will be required to register in a registry to be managed by the Communication Authority.

Recommendation #6:

Each service provider will determine the type of services it wishes to provide.

Recommendation #7:

Regulation will prevent the distortion of competition in audio-visual services by strengthening the regulation of network neutrality.

A. Broadening the prohibition to block any legal use of any service or application so that it applies also to entities that are not licensed or control a physical infrastructure, but may control infrastructures over the Internet (such as: search engines, portals).

B. Setting detailed rules regarding 'fair and proper management of the net' and establishing a mechanism for managing disputes regarding the use of such right.

C. Specific regulation in the law of the prohibition on discrimination among users, including the prohibition to purchase preferred traffic that is not in line with the egalitarian provisions addressed by law.

Recommendation #8:
Unique regulatory obligations will apply to:

A. Audio-visual service providers that are also owners of infrastructure
B. Audio-visual service providers that are also license holders

Recommendation #9:
Content regulation applying to audio-visual operators that fall under the definition in recommendation #2 will focus on the following areas and will apply to providers that have different characteristics in a manner applicable to the nature of the services they provide.

A. Classification and rating of audio-visual content
B. Accessing services to people with disabilities
C. Support for local Israeli content

Recommendation #10:
The regulation of the communication ecosystem will preserve the quality content industry in Israel and its achievements:

A. The obligation to support quality Israeli content financially will be split between infrastructure and content providers.
B. A fund to finance 'upper genre' Israeli productions will be established.
C. Starting with the beginning date of the regulation according to these recommendations and until the transition of existing license and franchise holders to the new regime, regulatory requirements regarding content will be lowered as will the nature of the supervision over content, however there will be no change in the level of investment required in 'upper genres'.

Recommendation #11:
The requirement to broadcast quality Israeli content will be adjusted to the new audio-visual service environment; an obligation on multichannel audio-visual service providers to provide access and prominence to original Israeli content will be determined and defined.

Recommendation #12:
New audio-visual service providers will be allowed to choose between one of two means of financing: advertising on their own broadcasts or funding through payment (such as: monthly subscription or pay-per-view).

Recommendation #13:
The 'must-carry' obligation of linear television channels will be adjusted to the new broadcasting environment:

A. The obligation will apply only to platforms wishing to include linear services in their offering.

B. The obligation to carry public and designated channels will be free of charge.[5]
C. Commercial linear channels will be carried free of charge by multichannel audio-visual service providers that ~~chose~~ not to broadcast advertising in their own programming offering or that their licenses forbid them to do so.

Recommendation #14:
All audio-visual service providers will be allowed to provide news services alongside ensuring the continued broadcasting of independent news outlets.

Recommendation #15:
Measurable parameters for assessing and evaluating the audio-visual sector, including the level of competition within, will be established as well as a body charged with the measurement of consumption of audio-visual services that will provide the regulatory bodies with the data currently provided by the Israel Audience Research Board.

Recommendation #16:
The regulatory framework ensuring fair competition and prevention of concentration in the content industry will be maintained.

Recommendation #17:
The Communication Authority will be awarded more powers regarding consumer issues.

Recommendation #18:
New regulations regarding oversight of competition in the audio-visual sector and consumer protection will be developed and adjusted to the parallel juris-dictional authority of other regulators charged with these issues, namely the Antitrust Authority, the Consumer Protection and Fair Trade Authority, and the Commission for the Protection of Rights of People with a Disability.

Recommendation #19:
Regulations allowing product and brand placement based on the principle of transparency to audiences will be established.

Recommendation #20:
The new regulations proposed in this report will take effect within a year of the publication of the law adopting them.

REFERENCES

Caspi, D. and Limor, Y. (1999), *The In/Outsiders: Mass Media in Israel*, Creskill, NJ: Hampton Press.

Custer, D. (2014), 'Autoethnography as a transformative research method', *The Qualitative Report*, 19:21, pp. 1–13, http://www.nova.edu/ssss/QR/QR19/custer21.pdf. Accessed February 3, 2016.

Fischer, F. (1993), 'Citizen participation and the democratization of policy expertise: From theoretical inquiry to practical cases', *Policy Sciences*, 26:3, pp. 165–87.

Forester, J. (1989), *Planning in the Face of Power*, Berkeley, CA: University of California Press.

5. 'Designated channels' are government sanctioned and licensed channels currently provided over cable and satellite, which target specific populations or interest groups. They include the Russian language 'channel 9', the music 'channel 24' and the religious 'channel 20'.

Gilboa, E. (2012), 'The Israeli media', in B. Rubin (ed.), *The Middle East: A Guide to Politics, Economics, Society, and Culture*, Armonk, NY: ME Sharpe, pp. 272–80.

Katz, E. (1971), 'Television comes to the people of the book', in I. Horowits (ed.), *The Use and Abuse of Social Science: Behavioral Research and Social Science*, New Brunswick, NJ: Transaction Books, pp. 249–71.

McQuail, D., de Mateo, R. and Tapper, H. (1992), 'A framework for analysis of media change in Europe in the 1990s', in K. Siune and W. Truetzschler (eds), *Dynamics of Media Politics: Broadcast and Electronic Media in Western Europe*, London: Sage, pp. 8–25.

Obar, J. and Schejter, A. (2010), 'Inclusion or illusion: An analysis of the FCC's public hearings on media ownership 2006–2007', *Journal of Broadcasting and Electronic Media*, 54:2, pp. 212–27.

Park, S., Davis, C., Papandrea, F. and Picard, R. (2015), *Domestic Content Policies in the Broadband Age: A Four-Country Analysis*, Canberra: News & Media Research Centre, University of Canberra.

Schejter, A. (2009), *Muting Israeli Democracy: How Media and Cultural Policy Undermine Free Expression*, Urbana, IL: University of Illinois Press.

Schejter, A. and Yemini, M. (2015), '"A time to scatter stones and a time to gather them": Media and telecommunications ownership trends in Israel 1984–2013', *Telecommunications Policy*, 39:2, pp. 112–26.

Schweizer, C., Puppis, M. Künzler, M. and Studer, S. (2014), 'Blast from the past? A comparative analysis of broadcast licensing in the digital era', *Journal of Information Policy*, 4, pp. 507–28.

SUGGESTED CITATION

CONTRIBUTOR DETAILS

Prof. Amit M. Schejter (Ph.D., Rutgers) is Head of the Department of Communication Studies at Ben-Gurion University of the Negev and Visiting Professor at Penn State University, where he serves as a co-director of the Institute for Information Policy. He is the author or editor of five books and more than 50 journal articles, law reviews and book chapters in five languages and is the founding co-editor of the *Journal of Information Policy*. Dr Schejter teaches courses on regulation, law and policy; communication theory; comparative media systems; and media activism. He has held senior executive positions in the media and telecommunications industry in Israel, among them VP of the nation's largest mobile operator and general counsel of the Israel Broadcasting Authority. He served on and chaired a variety of public committees and counselled media and telecommunication entities in Israel and the Palestinian Authority.

E-mail: schejter@gmail.com

Noam Tirosh is a doctoral candidate in the department of communication studies at Ben-Gurion University of the Negev. His research focuses on the relationship between collective memory, information and communication

1 technologies, and democracy as seen in a broad perspective. He teaches a
2 course on communication and society in Israel. His work has been published
3 in such journals as The Information Society, Telecommunications Policy
4 and Critical Studies in Media Communications, and has been presented in
5 national and international academic conferences.
6
7 E-mail: noam.tirosh.ps@gmail.com
8
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

ANDY FOX
University of Huddersfield

BIANCA MITU
University of Wolverhampton

BBC News – creating audience in the digital era

ABSTRACT

This article will examine how a public service broadcaster, specifically the BBC, delivers news content to its audience across multiple media platforms. Rather than looking at how the audience responds to media texts, this article will take the opposite standpoint by addressing the following question: How does the BBC build its audience on a platform-by-platform basis? To answer this key question we compared news outputs on the three platforms offered by the BBC: web, television and radio. A sample was compiled based on the top stories that appeared at a specific time of day over a month in early 2015. The results suggest that there is no significant difference in establishing news agendas through a digitally converged media landscape. In fact the three platforms analysed do not take media convergence into account when delivering news content.

INTRODUCTION

Any discussion on public service broadcasting today needs to take into account the digitalization process, which enables media convergence and flow of content across multiple media platforms. Writing in 2002, Papathanassopoulos correctly identified that the digitalization of television was inevitable and unstoppable. As expected, the challenges brought by the ubiquitous digital technology have led to a great body of scholarship on a variety of related

topics. For instance, Bennett (Bennett and Strange 2011) mentions the work of William Uricchio and William Boddy, who analyse the status of television as new media at different historical epochs, focusing on the social forces that have shaped its technological form. Scholars such as John Caldwell (cited in Spigel and Olsson 2004), Laurie Ouellette (2014) and Mark Andrejevic (2008) have been concerned with analysing the relationship among reality television, digital media, citizenship and surveillance. Other scholars like Pippa Norris (2001) and Colin Sparks (2014) have been concerned with analysing people's access to various new communication technologies, suggesting that there exists some form of digital divide. Clerwall (2014) moves the debates towards digital technologies, analysing the provision of machine or robot-written news, while Westlund (2013) raises the problem of worldwide network access via a mobile device. Moreover, Bob Franklin (2014) focuses on the future of journalism in the digital media age, paying special attention to the changing nature of journalistic practice due to the use of mobile devices and the rise of both data and citizen journalism. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

Enquiries into what happens to public service broadcasters in the digital era have attracted the interest of many scholars in the last three decades. There is remarkable difference in the discourses of the scholars, their opinions about the future of public service broadcasting often being divided. On one hand, some anticipate the demise of public service broadcasting (Tracey 1998) or argue that the introduction of digital television will diminish public service broadcasters' marketing power and further bring a threat to its justification for existence (Papathanassopoulos 2002). On the other hand, others argue that new media brought not only challenges and obstacles for the public service broadcasters but also new opportunities. Therefore, public service broadcasters will continue to register considerable public support (Debrett 2009: 807, 2010: 15). Endorsing this, Bardoel and d' Haenens (2008: 353) ascertain that 'new media technologies supplement rather than replace the old ones, and that public content production will remain important in a context of abundant technology and relation scarcity of professionally produced content'. 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

There is a solid body of research that explores how the audience is influenced by television and radio programmes (see e.g. Brooker and Jermyn [2003], Ang [1996] and Bird [2003] as an indicative sample). However, with the development of cross-platform methods of content delivery a debate has been shaped as to how the audience can contribute in a more active manner. The work of Jenkins (2006) and Ross (2008) examines how fandom has been affected by the audience employing new methods of providing an experience that moves beyond just watching, listening or reading. Jensen (2010) contextualizes media convergence, whereby there is no such thing as a dominant medium because it is now possible to view and listen to content through a variety of devices. Further to this, and with the digitalization of media forms, for some the question is whether the political importance of the audience has diminished as the general public has so much choice (Lewis and Wahl-Jorgensen 2005). 32 33 34 35 36 37 38 39 40 41 42 43 44 45

Recent transformations of the global cultural and economic landscape have determined many television companies to turn their attention to multi-platform practices so as to increase their compatibility with the changing media environment and gain audience share (Klein-Shagrir and Keinonen 2014). Based on the ongoing debates this article analyses how the BBC delivers content to its audience through digital tri-broadcasting methods. We intend to explore whether or not digital broadcasting platforms hold true to 46 47 48 49 50 51 52

traditional content delivery norms or whether a sea change has taken place in the way that news output is presented to the audience. The structure of the article first establishes the methodological techniques employed before introducing three research questions. Following this the results and findings of the data are presented. ~~Following this there will be a discussion,~~ based on the results and findings, before the article sums up and concludes.

For some, media convergence has substantially affected how the audience consumes media content (see e.g. Baldwin et al. 1996; Jenkins 2006; Jensen 2010). The conclusions drawn from this article will establish public service broadcasting attitudes to multi-platform news outputs and how the stories are presented to the audience. Therefore, the key theoretical underpinning for this article is to explore contemporary attitudes by the BBC towards news production and to suggest whether the expectation from the audience has fundamentally altered.

Methodology

The methodological approach we chose was content analysis. A sample was chosen from the BBC's digitally broadcast output. The BBC news website and news channel were obvious choices for the web and television content. For the radio content we analysed the news output of the BBC's digital music station, 6Music. The reason for this choice was that 6Music is an exclusively digital station; to have used any other station with significant audience share would have meant that we would be measuring content accessed by the AM and FM audience as well as the digital-only listenership.

We chose to focus the research on the BBC because of the unique position it holds as a publicly funded broadcaster. Each household in the United Kingdom owning a television set has to pay a licence fee in order to receive content. The income generated from the licence fee provides the BBC with the vast majority of its funding, and its right to broadcast is the subject of periodic reviews, which determines the renewal of the BBC Charter, allowing broadcasting to continue. Therefore, the relationship the BBC has with the audience has been one of providing material that is designed to inform and educate, as well as entertain. A certain amount of audience share has to be achieved before the charter will be renewed but the BBC has to still provide a wide range of content rather than programming that is purely designed to be populist.

Until the late 1950s the BBC was the only legitimate broadcaster in the United Kingdom. This changed with the creation of the regional Independent Television (ITV) and network of local radio stations. The ITV network was funded by advertising revenue, but the various franchises were only awarded on the guarantee that certain public service characteristics, particularly regarding factual and news content, were observed. In 1982 Channel 4 was launched as a hybridization of the BBC and ITV as it is a public service broadcaster with a board of trustees, like the BBC, but is funded largely by advertising revenue, like ITV. In the late 1980s Sky television became the first satellite broadcaster in the United Kingdom, and is funded by subscription fees. Since then the broadcasting market in the United Kingdom has been more open and competitive.

Coding methods varied for each platform. For the website only the first ten stories were counted, enabling the data to be more manageable upon analysis as the stories appeared on the main page and were not divided into

geographic or generic sub-sections. Additionally, the opportunity for stories to move around the agenda was more easily visible through the website, meaning that there was the potential to observe an ebb and flow within the running order. For the BBC News channel the main headlines at the top of the hour were measured, as these traditionally provide the majority of the content for the half hour that follows. The 6Music bulletins were measured in their entirety. This was because the bulletins are concise, being only approximately two minutes in length.

Data collection took place twice a day, typically between 12 and 12.30 and 4 and 4.30 in the afternoon, between the 1 and the 28 February 2015, with another two weeks (15 January–1 February) when the method was pre-tested. A half-hour window allowed for each of the platforms to be measured over as close a period of time as possible. The news channel could be measured at the top of the half hour, the website directly afterwards, which was completed in time for the 6Music bulletin on the half hour (the only time that 6Music broadcasts news). Once the data collection period was complete a spread-sheet was compiled using SPSS data management software. As there were two coders a reliability analysis was run using the Cronbach's α formula based on the numerical values measuring the amount of content. The outcome of this was a reliability score of 0.299 across a total of 898 units of analysis.

Research questions

1. How does digital media content differ across platforms?
    The aim of this research question is to establish whether or not there is consistency in the content across the three platforms. If, as scholars like Jenkins (2006) and Jensen (2010) believe, there is currently a state of media convergence, we can anticipate content being consistent, and possibly shared, across platforms. This would particularly be true of the BBC News website as it can run audio and video clips alongside text. However, we are concerned with the story headlines in addition to specific content, and thus this research question will additionally establish whether there is a correlation between headlines across the three platforms.
2. Is there a significant difference in how the content is presented?
    This research question is concerned with how the content appears in the order of headlines. Examined will be the amount of correlation between stories appearing in the same place in the bulletins or page. This will enable an analysis of whether bulletins and web content are presented towards a certain demographic and whether pictures, audio and textual material are still as important to an audience used to digital content delivery.
3. Is there a noticeable shift in agenda across the day?
    This final research question establishes the news agenda setting across the platforms. What we will examine is whether evidence exists that suggests that there are a significant number of stories appearing in the same place in the running orders across the three platforms. The research question allows us to answer whether the technology employed is in the spirit of media convergence and the impact on editorial decisions.

RESULTS AND FINDINGS

Stories equating to a total $n = 898$ provided a substantial amount of data. This section begins by looking at the breakdown of individual stories across the data collection period, before analysing how the stories appeared on each

platform proportionally. The section will then move on to repeat the structure of the tables but will present the quantity of where the stories appeared on the web pages, television headlines and radio bulletins. Analysed will be the top three stories to balance out the amount of data presented, as there are considerably more results for the website than for BBC News and 6Music. Data are presented as both raw numbers and proportional percentages.

Table 1 establishes the news agenda across all three platforms for the data collection period (February 2015). The two largest measurements are for politics and crime stories in the United Kingdom and represent a quarter of the total with a combined total of 25.3%. The largest measurements for international stories were in terrorism and crime, with a combined 18.9% of the total. General interest was the broadest category, as stories that could not be measured under any other value were counted. As the broadest category, and with stories like the Church of England under-paying staff (story seven at 12 o'clock on the website, 23 February 2015), which was not specifically religious, business or finance, general interest registered a total of 79 measurements, or 8.8%.

	Story	Number of appearances (numeric)	Number of appearances (%)
1.	Politics (National)	120	13.4
2.	Crime (National)	107	11.9
3.	Terrorism (International)	92	10.2
4.	General Interest	79	8.8
5.	Crime (International)	78	8.7
6.	Health	78	8.7
7.	Business (National)	56	6.2
8.	Politics (International)	53	5.9
9.	Civil Unrest (International)	38	4.2
10.	Sport	34	3.8
11.	Finance	34	3.8
12.	Entertainment	29	3.2
13.	Media	18	2.0
14.	Conflict	17	1.9
15.	Disaster (International)	16	1.8
16.	Business (International)	15	1.7
17.	Disaster (National)	9	1.0
18.	Science	8	0.9
19.	Military	7	0.8
20.	Terrorism (National)	6	0.7
21.	Environmental	2	0.2
22.	Religion	2	0.2
	Total	898	100

Table 1: Stories appearing across all three platforms in numerical order.

	Story	Number of appearances (numeric)	Number of appearances (%)
1.	Politics (National)	51	11.1
2.	Crime (International)	51	11.1
3.	Crime (National)	44	9.6
4.	Terrorism (International)	42	9.2
5.	Health	41	8.9
6.	General Interest	39	8.5
7.	Politics (International)	32	7.0
8.	Business (National)	31	6.8
9.	Civil Unrest (International)	18	3.9
10.	Finance	18	3.9
11.	Sport	16	3.5
12.	Business (International)	13	2.8
13.	Media	13	2.8
14.	Conflict	12	2.6
15.	Entertainment	11	2.4
16.	Disaster (International)	11	2.4
17.	Disaster (National)	5	1.1
18.	Military	4	0.9
19.	Science	4	0.9
20.	Religion	2	0.4
21.	Environmental	1	0.2
	Total	459	100

Table 1a: Story appearances on the web platform in numerical order; as Table 1a measures only stories on bbc.co.uk/news, n = 459. The first ten stories on the site were measured for each data collection.

As the first ten stories that appeared on the website were measured, this platform accounted for over half, 51.1 per cent, of the data. It was found that there were no national terrorism stories on the BBC website in February 2015. This could have been because elements of stories that did relate to the national terrorism category were reported as being more international in terms of content. The national angle was not as pronounced as it was through the television channel and radio station, where the national terrorism category registered a small number of appearances.

With the headlines being the only measurement for the television channel the variety of stories that are covered by the BBC is highlighted in Table 1b. Only three categories were not covered: religion, environment and science. The proportions for the two main stories on the television channel are slightly higher than for the website: 27% as compared to 22%, respectively. While national politics is the story with most appearances, the television channel places more emphasis on international terrorism, 12.4%, than does the

website, 9.2%, and this is reflected in international terrorism being the second
most covered story on television as opposed to fourth on the website.

The significant finding from Table 1c is that the radio station places
more importance on national crime stories than either the website or televi-
sion channel. National crime accounts proportionally for 18.1 per cent of the
stories on 6music, twice as much as on BBC News and 8 per cent more than

	Story	Number of appearances (numeric)	Number of appearances (%)
1.	Politics (National)	30	14.9
2.	Terrorism (International)	25	12.4
3.	General Interest	22	10.9
4.	Crime (National)	20	10.0
5.	Health	16	8.0
6.	Business (National)	15	7.5
7.	Civil Unrest (International)	15	7.5
8.	Crime (International)	12	6.0
9.	Finance	9	4.5
10.	Politics (International)	8	4.0
11.	Entertainment	6	3.0
12.	Sport	6	3.0
13.	Conflict	3	1.5
14.	Disaster (International)	3	1.5
15.	Media	3	1.5
16.	Business (International)	2	1.0
17.	Terrorism (National)	2	1.0
18.	Disaster (National)	2	1.0
19.	Military	2	1.0
	Total	201	100

*Table 1b: Story appearances through the BBC News television channel; as only the
headlines at the beginning of the hour were measured, n = 201.*

	Story	Number of appearances (numerical)	Number of appearances (%)
1.	Crime (National)	43	18.1
2.	Politics (National)	39	16.4
3.	Terrorism (International)	25	10.5
4.	Health	21	8.8
5.	General Interest	18	7.6

(Contd.)

	Story	Number of appearances (numerical)	Number of appearances (%)
6.	Crime (International)	15	6.3
7.	Politics (International)	13	5.5
8.	Entertainment	12	5.0
9.	Sport	12	5.0
10.	Business (National)	10	4.2
11.	Finance	7	2.9
12.	Civil Unrest (International)	5	2.1
13.	Terrorism (National)	4	1.7
14.	Science	4	1.7
15.	Conflict	2	0.8
16.	Disaster (International)	2	0.8
17.	Disaster (National)	2	0.8
18.	Media	2	0.8
19.	Environmental	1	0.4
20.	Military	1	0.4
	Total	238	100

Table 1c: Story appearances on BBC 6music's news bulletins. As each bulletin is a concise two to three minutes, each story was counted, resulting in n = 238.

on the website. The radio bulletins covered a wide range of stories, with only religion and international business not being represented.

The category with the most stories in the top three headlines is national politics, a total of 77 appearances or 18.1% proportionally of the total. However, the category with the most appearances as the first story is international terrorism, with 9.2% of the total proportionally. Combined, the three story categories with the highest appearances – national politics, international terrorism and national crime – equated to nearly half, 48.2% of the total.

With a combined total proportion of 47.6 per cent, national politics, international terrorism and national crime account for nearly a half of the top three headlines. The results of Table 2a are very similar to those of Table 2 in terms of where stories appear in the running order. If there is any deviation it is by one or two places – for example, health stories being the fifth and finance being the seventh most prominent on television, as opposed to sixth and ninth, respectively, when all three platforms are combined.

The three most measured story categories on 6music remained the same as those on BBC News. However, national crime supplanted international terrorism as the second most prominent headline. The three most prominent story categories also accounted for a higher proportion of the total, with 59% as opposed to 47.6% on BBC News. International civil unrest stories were also less prominent than on BBC News, with 3.5% of the total as compared to 10.5% of the proportion on the 24-hour rolling television news channel.

The three story types with the most measurements – international terrorism, national politics and national crime – account for 40% proportionally of

	Story	1	2	3	Total
1.	Politics (National)	26 (6.1%)	22 (5.2%)	29 (6.9%)	77 (18.1%)
2.	Terrorism (International)	39 (9.2%)	18 (4.2%)	11 (2.6%)	68 (16.0%)
3.	Crime (National)	13 (3.0%)	24 (5.6%)	23 (5.4%)	60 (14.1%)
4.	Civil Unrest (International)	14 (3.3%)	8 (1.9%)	6 (1.4%)	28 (6.6%)
5.	Crime (International)	10 (2.3%)	12 (2.8%)	5 (1.2%)	27 (6.3%)
6.	Health	6 (1.4%)	11 (2.6%)	10 (2.3%)	27 (6.3%)
7.	Politics (International)	8 (1.9%)	11 (2.6%)	8 (1.9%)	27 (6.3%)
8.	Business (National)	3 (0.7%)	8 (1.9%)	13 (3.0%)	24 (5.6%)
9.	Finance	9 (2.1%)	8 (1.9%)	6 (1.4%)	23 (5.4%)
10.	General interest	3 (0.7%)	5 (1.2%)	6 (1.4%)	14 (3.3%)
11.	Disaster (International)	3 (0.7%)	3 (0.7%)	2 (0.5%)	8 (1.9%)
12.	Business (International)	0	3 (0.7%)	4 (0.9%)	7 (1.6%)
13.	Conflict	0	3 (0.7%)	4 (0.9%)	7 (1.6%)
14.	Disaster (National)	1 (0.2%)	0	5 (1.2%)	6 (1.4%)
15.	Terrorism (National)	2 (0.5%)	1 (0.2%)	3 (0.7%)	6 (1.4%)
16.	Entertainment	0	1 (0.2%)	4 (0.9%)	5 (1.2%)
17.	Military	2 (0.5%)	2 (0.5%)	0	4 (0.9%)
18.	Sport	0	2 (0.5%)	2 (0.5%)	4 (0.9%)
19.	Media	2 (0.5%)	0	0	2 (0.5%)
20.	Science	1 (0.2%)	0	0	1 (0.2%)
21.	Environmental	0	0	0	0
22.	Religion	0	0	0	0
					425 (100%)

Table 2: Place of story on the page, in headlines and bulletins across all three platforms for the top three stories. Three variables appear because that was the minimum number of stories that appeared on the BBC News channel and BBC 6music headlines, n = 425.

	Story	1	2	3	Total
1.	Politics (National)	7 (4.9%)	10 (7.0%)	10 (7.0%)	27 (18.9%)
2.	Terrorism (International)	16 (11.2%)	6 (4.2%)	2 (1.4%)	24 (16.8%)
3.	Crime (National)	2 (1.4%)	6 (4.2%)	9 (6.3%)	17 (11.9%)
4.	Civil Unrest (International)	6 (4.2%)	6 (4.2%)	3 (2.1%)	15 (10.5%)
5.	Health	2 (1.4%)	4 (2.8%)	4 (2.8%)	10 (7.0%)
6.	Business (National)	2 (1.4%)	1 (0.7%)	6 (4.2%)	9 (6.3%)
7.	Finance	3 (2.1%)	3 (2.1%)	3 (2.1%)	9 (6.3%)
8.	Crime (International)	3 (2.1%)	2 (1.4%)	1 (0.7%)	6 (4.2%)
9.	Politics (International)	1 (0.7%)	2 (1.4%)	3 (2.1%)	6 (4.2%)

	Story	1	2	3	Total
10.	General interest	1 (0.7%)	4 (2.8%)	0	5 (3.5%)
11.	Conflict	0	1 (0.7%)	2 (1.4%)	3 (2.1%)
12.	Disaster (International)	2 (1.4%)	0	1 (0.7%)	3 (2.1%)
13.	Disaster (National)	0	0	2 (1.4%)	2 (1.4%)
14.	Military	1 (0.7%)	1 (0.7%)	0	2 (1.4%)
15.	Terrorism (National)	1 (0.7%)	1 (0.7%)	0	2 (1.4%)
16.	Business (International)	0	0	1 (0.7%)	1 (0.7%
17.	Media	1 (0.7%)	0	0	1 (0.7%)
18.	Sport	0	1 (0.7%)	0	1 (0.7%)
	Total				143 (100%)

Table 2a: Place of story in BBC News television channel headlines. N = 143; three variables appear because this was the minimum number of headlines during the data collection period.

	Story	1	2	3	Total
1.	Politics (National)	9 (6.2%)	8 (5.6%)	14 (9.7%)	31 (21.5%)
2.	Crime (National)	10 (6.9%)	12 (8.3%)	7 (4.9%)	29 (20.1%)
3.	Terrorism (International)	11 (7.6%)	6 (4.2%)	5 (3.5%)	22 (17.4%)
4.	Crime (International)	3 (2.1%)	6 (4.2%)	2 (1.4%)	11 (7.6%)
5.	Health	2 (1.4%)	3 (2.1%)	4 (2.8%)	9 (6.2%)
6.	Politics (International)	2 (1.4%)	4 (2.8%)	3 (2.1%)	9 (6.2%)
7.	Finance	2 (1.4%)	3 (2.1%)	2 (1.4%)	7 (4.9%)
8.	Business (National)	1 (0.7%)	3 (2.1%)	2 (1.4%)	6 (4.2%)
9.	Civil Unrest (International)	2 (1.4%)	0	3 (2.1%)	5 (3.5%)
10.	Terrorism (National)	1 (0.7%)	0	3 (2.1%)	4 (2.8%)
11.	General Interest	2 (1.4%)	1 (0.7%)	0	3 (2.1%)
12.	Disaster (National)	1 (0.7%)	0	1 (0.7%)	2 (1.4%)
13.	Entertainment	0	0	2 (1.4%)	2 (1.4%)
14.	Conflict	0	1 (0.7%)	0	1 (0.7%)
15.	Disaster (International)	0	1 (0.7%)	0	1 (0.7%)
16.	Media	1 (0.7%)	0	0	1 (0.7%)
17.	Military	1 (0.7%)	0	0	1 (0.7%)
					144 (100%)

Table 2b: Position of story categories in BBC 6music radio bulletins. The top three stories are presented as that was the minimum number of headlines in a bulletin. N = 144.

	Story	1	2	3	Total
1.	Terrorism (International)	12 (8.7%)	6 (4.3%)	4 (2.9%)	22 (15.9%)
2.	Politics (National)	10 (7.2%)	4 (2.9%)	5 (3.6%)	19 (13.8%)
3.	Crime (National)	1 (0.7%)	6 (4.3%)	7 (5.07%)	14 (10.1%)
4.	Politics (International)	5 (3.6%)	5 (3.6%)	2 (1.4%)	12 (8.7%)
5.	Crime (International)	4 (2.9%)	4 (2.9%)	2 (1.4%)	10 (7.2%)
6.	Business (National)	0	4 (2.9%)	5 (3.6%)	9 (6.5%)
7.	Civil unrest (International)	6 (4.3%)	2 (1.4%)	0	8 (5.8%)
8.	Health	2 (1.4%)	4 (2.9%)	2 (1.4%)	8 (5.8%)
9.	Finance	4 (2.9%)	2 (1.4%)	1 (0.7%)	7 (5.1%)
10.	Business (International)	0	3 (2.2%)	3 (2.2%)	6 (4.3%)
11.	General Interest	0	0	6 (4.3%)	6 (4.3%)
12.	Disaster (International)	1 (0.7%)	2 (1.4%)	1 (0.7%	4 (2.9%)
13.	Conflict	0	1 (0.7%	2 (1.4%)	3 (2.2%)
14.	Entertainment	0	1 (0.7%)	2 (1.4%)	3 (2.2%)
15.	Sport	0	1 (0.7%)	2 (1.4%)	3 (2.2%)
16.	Disaster (National)	0	0	2 (2.2%)	2 (2.2%)
17.	Military	0	1 (0.7%)	0	1 (0.7%
18.	Science	1 (0.7%)	0	0	1 (0.7%)
				Total	138 (100%)

Table 2c: Three most prominent stories on the BBC News website. The top three stories were selected as this was the minimum number of stories on the radio and television platforms. Presenting the data in this way allows for greater consistency. N = 138.

the total. However, the third prevalent category, national crime, has a signifi-cantly higher proportion for being the second or third story on the website, 9.37% combined, than it does for being the lead story, 0.7%. Eight story types register no measurements for being the lead story but have appearances for the second and third stories. Significantly, national business registers no lead story appearances but is still the sixth most prominent category, with 6.5% proportionally of the total, all for second or third stories.

Across the three platforms it was obvious that the style of presenta-tion for the TV channel would be exclusively audio-visual and that for the radio station would be audio only. However, the website had the capacity to provide text, audio, video and pictorial content, in addition to providing a platform for user-generated content (UGC) through the use of social media. Table 3 uses the list of categories from Table 2c as the basis for analysing what cross-platform content appeared and where.

Overwhelmingly, photographs are used primarily to illustrate the text that is found on the BBC News website. Proportionally, international terrorism and national crime have the two largest counts, combined accounting for nearly a quarter of all the photographic content, 22.2%. International terrorism stories account for the highest measurements across all the supporting audio-visual material, 19.4%. However, proportionally the highest single count is for video

	Story	Photograph	Video	Graphic	Total
1.	Terrorism (International)	68 (12.9%)	23 (4.4%)	11 (2.1%)	102 (19.4%)
2.	Politics (National)	30 (5.7%)	22 (4.2%)	6 (1.1%)	58 (11.0%)
3.	Crime (National)	49 (9.3%)	8 (1.5%)	7 (1.3%)	64 (12.2%)
4.	Politics (International)	18 (3.4%)	3 (0.6%)	6 (1.1%)	27 (5.1%)
5.	Crime (International)	34 (6.5%)	14 (2.7%)	7 (1.3%)	55 (10.5%)
6.	Business (National)	16 (3.0%)	4 (0.8%)	1 (0.2%)	21 (4.0%)
7.	Civil unrest (International)	26 (4.9%)	12 (2.3%)	7 (1.3%)	45 (8.6%)
8.	Health	15 (2.8%)	3 (0.6%)	0	18 (3.4%)
9.	Finance	6 (1.1%)	11 (2.1%)	6 (1.1%)	23 (4.4%)
10.	Business (International)	7 (1.3%)	2 (0.4%)	1 (0.2%)	10 (1.9%)
11.	General Interest	15 (2.8%)	3 (0.6%)	7 (1.3%)	25 (4.8%)
12.	Disaster (International)	10 (1.9%)	5 (0.9%)	1 (0.2%)	16 (3.0%)
13.	Conflict	11 (2.0%)	5 (0.9%)	3 (0.6%)	19 (3.6%)
14.	Entertainment	16 (3.0%)	5 (0.9%)	3 (0.6%)	24 (4.6%)
15.	Sport	3 (0.6%)	1 (0.2%)	0	4 (0.8%)
16.	Disaster (National)	10 (1.9%)	0	0	10 (1.9%)
17.	Military	1 (0.2%)	1 (0.2%)	1 (0.2%)	3 (0.6%)
18.	Science	1 (0.2%)	0	0	1 (0.2%)
	Total	336	122	67 (12.8%)	525
		(64.0%)	(23.2%)		(100%)

Table 3: Cross-platform content on the BBC website. Results are based on the three most prominent stories for each data collection and are presented by the number of appearances as shown in Table 2c. N = 525.

material for national politics – the 22 measurements equating to ~~38%~~ of the 58 total for that story category.

DISCUSSION

The discussion in this article is informed by the results and findings presented above uses the research questions outlined in the methodology to provide the foundation for argument.

RQ1. How does digital media content differ across platforms?
Clearly there is still an audio-based medium, radio, and a visual medium, television, that exist in isolation from the online platform. However, as the data collection was primarily achieved by accessing all three media forms through a web browser, for clarity of argument we will refer to three separate platforms: radio, television and web. There is still a clear differentiation between the three platforms: radio is audio; television is audio-visual; and web is capable of doing both as well as text, photographs and graphics. Therefore, the first part of the answer to this research question confirms only that broadcasters, and by extension the audience, differentiate between the three: radio is for listening, television for watching and the web for looking at.

Our data show the differences in how radio, television and web news content is presented. The top three story categories combined across all three modes of delivery in Table 1 were national politics, national crime and international terrorism, with the broad category of general interest appearing as the fourth most prevalent. However, when looking at the three platforms there are significant differences in story order. National politics is the story category with the most appearances for both the web page and the television channel, but national crime is the most measured for BBC 6Music, with national politics second. Both crime story categories register the second and third most appearances on the web page. For the television channel, international terrorism is the second most registered category, with general interest coming third. For the radio channel, and as noted above, national politics is the second most measured story, with international terrorism third. The headlines for each story are similar, with subtle differences depending on the medium: more words for radio, more pictures for television, and a banner headline in the style of print media for the website. The web platform uses material that has been produced by correspondents for the BBC News broadcast rather than providing original content.

The expectation would be that the television and radio measurements would be different as one relies on pictures and the other is specifically audio only. That general interest appears as the third most measured story category for the television channel suggests that for BBC News, at least, there is a tendency for at least one headline at the top of the hour to veer away from harder news to tease the audience of a more public interest story that may appear further down the running order. As 6Music provides bulletins on the half hour it would be expected that the three story categories with the most appearances would be of a harder style of news value. The difference with the radio platform is that national crime is the story category that appears the most, which suggests that crime stories are more likely to be amenable to a radio audience. This is borne out by national politics being the most counted on the television channel. Politicians appearing at events are a more attractive televisual experience than shots of reporters outside courtrooms as cameras are not allowed into judicial enquiries in the United Kingdom.

The web page is where there is the biggest difference in results. The story with the most appearances is national politics; the second and third largest measurements are for international crime and national crime, respectively. By comparison, on the television and radio platforms, respectively, international crime is the eighth and sixth story, with national crime being the fourth and the first. However, the story that appears the most on the web page as the main headline is international terrorism, with slightly more appearances than national politics and crime. The suggestion here is that, of the three platforms, the web page is more likely to appear internationally and the running order is adjusted accordingly but with a bias towards stories that are UK led, hence national politics registering the most numbers of stories in total, with national crime third.

Jensen explores the idea of communications theory being rooted in pragmatism: 'what media do to people, cultures, and societies and vice versa' (2010: 164). What we can propose is that there is still a difference in how the media presents its content, and that news editors do not make cross-platform decisions, but that the method of delivery has changed. Taking the idea that pragmatism links to theory further we can ascertain that, although it is possible to listen, watch and see traditional media delivery systems through one

device, radio stations, television channels and websites exist independently of each other, even for a public service broadcaster like the BBC. Therefore, we can establish that convergence, as was originally defined by scholars such as Jenkins (2006) and Jensen (2010), has not entrenched itself into news production and associated editorial fully.

RQ2. Is there a significant difference in how the content is presented?
The 48.2 per cent of the story categories, which constituted the most appearances for stories as the three main headlines across all three platforms, were national politics, international terrorism and national crime. However, the story categories appeared in a slightly different order, with international terrorism and national crime exchanging places dependent on platform. The three categories remain consistently the top stories across all three platforms. There is a slight adjustment in the running order across the platforms, however. The television channel mirrors the combined total exactly, while 6Music has the two national politics and crime categories above international terrorism. For the website the opposite order occurs, with international terrorism appearing more than national politics and crime.

The supposition as suggested above, that the website is more internationally outward facing, is reinforced. This suggestion is further reinforced when it was found that 'we need to **limit access** to most video and audio content on BBC Online to **people within the UK' (**www.bbc.co.uk, **original emphasis).** ~~Therefore~~, it is not possible for the television channel to be viewed outside the United Kingdom through the official BBC website, although 6Music can be accessed internationally through the BBC iPlayer (www.bbc.co.uk). Additionally, any video and audio clips attached to stories on the website are sometimes limited to UK-only viewing; thus, while the headlines for BBC News online suggest a more international feel, there is not always supporting material to access alongside the text.

~~Our data point towards~~ there being a defined policy by the BBC towards its news output. For the website the news agenda can be seen as a more international facing site, which is more likely to prioritize global and national stories equally in the running order. The television channel is more aimed at a domestic audience, the evidence for which can be reinforced by the existence of the BBC World News channel available outside the United Kingdom. BBC 6Music is not a news-based channel, but has to carry bulletins as part of the BBC's PSB remit, and thus concerns itself with predominantly national stories as the music played is seen as the primary content for the station.

Returning to the issue of convergence, a significant amount of additional material was found that supported the text-based material on the website. However, and as addressed above, the video material is not always available outside the United Kingdom. Supporting material was placed into three categories: photographs, video and graphics (e.g., maps and graphs). Aside from the national politics story category the international stories provided the most amount of supporting material. This was found to be particularly true of photographs and videos, with international terrorism, crime and civil unrest registering high measurements. For graphics the same was found, with the exception of national crime supplanting the national politics story category as having a slightly greater amount. Therefore, we can suggest that the internationalization of the website is taken more seriously by the editorial team than it is for the television and radio channels. This is to the extent of informing the UK population more thoroughly of international stories through

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

the supporting material. The inference from this finding is that the website is more immediately available internationally than the BBC News channel. 6Music's primary output is music. Hence, anyone accessing the channel from abroad through the iPlayer would be more likely to want to listen to a variety of musical genres. However, 6Music needs to provide regular news bulletins because of the BBC's public service remit.

RQ3. Is there a noticeable shift in the agenda across the day?
As we have already established, the three main top stories are consistent. To provide further examination of the results Table 2 will be used as the primary source of data in answering this research question. All the top three story measurements were combined in presenting the results through Table 2. The highlight finding from this table is that measurements for national politics remain fairly consistent, with appearances in the 20s. These results suggest that this story category remained consistently within the three top stories during the entire data collection. This is in contrast to the story with the second most measurements, international terrorism, which has a high count for the lead story, 39, higher than national politics, but has low counts for the second and third story, 18 and 11, respectively. We can suggest from these data that, while international terrorism is seen as a high priority story during parts of the day, it can soon fade from the lead story and from the top of the news agenda entirely in a short period of time. A similar pattern emerges when looking at international civil unrest. For international crime and politics, which register higher counts for the second story than the first and third, the suggestion is that these stories remain static within the running order.

Further analysis reveals that the platform that moves international terrorism around the agenda most is BBC News. There are sixteen examples of the category being the top story, but only eight of it being second and/or third, exactly half the amount of stories. There is also a sharp difference in how the national crime story is placed in the running order between 6Music and the other two platforms: ten appearances as the lead story as opposed to two on BBC News and only one through the website. However, the opposite is true for a story category that was not one of the three most measured: international civil unrest. The category registers six appearances each as the lead story on BBC News and the website but only two on 6Music. ~~Low number~~ total for the international civil unrest category, five for 6Music and eight on the website, suggests a rapid movement down the running order for the non-predominantly visual platforms. This is opposed to the fifteen appearances through BBC News, which suggests that pictures ~~existed allowing~~ the story to remain higher up the agenda for longer.

~~Our data point~~ to a shift in the news agenda across the days measured, as would be expected, but no evidence of a shared news agenda through the three platforms. We therefore wish to propose a lack of cooperation across the three platforms in the case of setting a running order. However, our data ~~do~~ suggest a consistency in agenda setting for daily news bulletins, as the top three story categories measured are the same across all platforms.

CONCLUSION

This article aimed to establish whether convergence, as proposed in the first decade of the twenty-first century, had established itself on daily news production, and what that may mean for the audience. More specifically, the

research examined the daily news output of a well-established public service broadcaster, the BBC. What our data ~~conclude~~ is that, editorially, news outputs are not shared across the three platforms the BBC employs: radio, television and the World Wide Web. Thus, there is no differentiation in demographics between the three platforms in our sample. BBC news output is aimed at all demographics, precisely because of the lack of convergence we found. While our data ~~show~~ that the appearances of three major story categories – national politics, national crime and international terrorism – are consistent across all three platforms, we can propose that this would be rational. National politics would be prevalent because the data collection period coincided with the beginning of the run-up to the 2015 General Election. Likewise the ever-present threat of Islamic State in the Middle East, and the aftermath of the Charlie Hebdo attack in Paris, would account for the large amounts of data for international terrorism. National crime appears a lot because it is a broad category that accounts for a large amount of stories. Therefore, it is no surprise that news editors across television, radio and the web would draw from these story categories to form the basis of the majority of the news agendas for the days that were measured.

The key finding from our research is that those three story categories that registered the most appearances appeared in different places in the top three per platform. More generally there was a significant amount of differences across all story categories when splitting the results of the three platforms. We can therefore conclude that convergence has not developed so fully that there is one news editor driving the agenda of the day across all three platforms, as radio, television and web news services operate in isolation from each other. We can also conclude that, rather than having one overarching policy to news strategy, the BBC has separate guidelines that govern what constitutes an applicable radio, television and web story, meaning that, for news outputs at least, there is a traditional approach to delivering content. Another conclusion that we can draw from this research is that these policies extend to the audience as there is evidence that the watching, listening and looking method of delivering the news is still a primary concern.

A final conclusion is that this area warrants further research to more properly gauge the attitude of the audience towards convergence. The suggestion from the above article is that the separation of the three platforms means that the BBC does not see convergence as a sum of all parts, a way of delivering content exclusively across one platform. However, the real question is who is influencing who? Is the tail wagging the dog? Or is the opposite true? Does the BBC provide an all-encompassing service for the audience to justify its existence as a PSB, or does the audience still want that all-encompassing service? If the latter is true then the suggestion is that there has been a partial rejection of convergence by the audience, and that existing broadcasting technologies have still a place in the current media landscape. Further research, focusing more on the audience, would help to satisfy that part of the larger question: that of the future for public service broadcasting.

REFERENCES

Andrejevic, M. (2008), 'Watching television without pity: The productivity of online fans', *Television & New Media*, 9:1, pp. 24–46.

Ang, I. (1996), *Living Room Wars: Rethinking Media Audiences for a Postmodern World*, UK: Routledge.

1 Baldwin, T., McVoy, Stevens and Charles Steinfield (1996), *Convergence:*
2   *Intergrating media, information & Communication*, USA: Sage.
3 Bardoel, J. and d'Haenens, L. (2008), 'Public service broadcasting in conver-
4   ging media modalities: Practices and reflections from the Netherlands',
5   *Convergence: The International Journal of Research into New Media*
6   *Technologies*, 14:3, pp. 351–60.
7 BBC (2015), 'Frequently asked questions', http://www.bbc.co.uk/faqs/online/
8   overseas. Accessed 9 June 2015.
9 Bennett, J. and Strange, N. (eds) (2011), *Television as Digital Media*, Durham
10   and London: Duke University Press.
11 Bird, S. E. (2003), *The Audience in Everyday Life: Living in a Media World*, USA:
12   Routledge.
13 Brooker, W. and Jermyn (eds) (2003), *The Audience Studies Reader*, UK:
14   Routledge.
15 Clerwall, C. (2014), 'Enter the robot journalist: Users' participations of auto-
16   mated content', *Journalism Practice*, 8:5, pp. 519–31.
17 Debrett, M. (2009), 'Riding the wave: Public service television in the multi-
18   platform era', *Media, Culture & Society*, 31:5, pp. 807–27.
19 ____ (2010), *Reinventing Public Service Television for the Digital Future*, Chicago:
20   Intellect.
21 Franklin, B. (2014), 'The future of journalism in an age of digital media and
22   economic uncertainty', *Journalism Practice*, 8:5, pp. 469–87.
23 Jenkins, H. (2006), *Convergence Culture: Where Old and New Media Collide*,
24   USA: New York University Press.
25 Jensen, K (2010), *Media Convergence – The Three Degrees of Network, Mass, and*
26   *Interpersonal Communication*, UK: Routledge.
27 Klein-Shagrir, O. and Keinonen, H. (2014), 'Public service television in a
28   multi-platform environment: A comparative study in Finland and Israel',
29   *VIEW Journal of European Television History and Culture*, 03:06, pp. 14–23.
30 Lewis, J. Inthorn, S. and Wahl-Jorgensen, K. (2005), *Citizens or Consumers?*
31   *What the Media tells us about Political Participation*, UK: Open University
32   Press.
33 Norris, P. (2001), Digital Divide: Civic Engagement, Information Poverty, and
34   the Internet Worldwide, Cambridge: Cambridge University Press.
35 Ouellette, L. (ed.) (2014), *A Companion to Reality Television* (electronic version),
36   West Sussex: John Wiley and Sons.
37 Papathanassopoulos, S. (2002), *European Television in the Digital Age*,
38   Cambridge: Polity Press.
39 Ross, S. (2008), *Beyond the Box: Television and the Internet*, Singapore: Blackwell
40   Press.
41 Sparks, C. (2013), 'What is the "Digital Divide" and why is it important?',
42   *Javnost – The Public: Journal of the European Institute for Communication and*
43   *Culture*, 20:2, pp. 27–46.
44 Spigel, L. and Olsson, J. (eds) (2004), *Television after TV: Essays on a Medium in*
45   *Transition*, USA: Duke University Press.
46 Tracey. M. (1998), *The Decline and Fall of Public Service Broadcasting*, New York:
47   Oxford University Press.
48 van Dijck, Jose´ and Poell, Thomas (2014), 'Making public television social?
49   Public service broadcasting and the challenges of social media', *Television*
50   *and New Media*, 21 March, p. 11, http://tvn.sagepub.com/content/early/201
51   4/03/20/1527476414527136. Accessed 1 December 2014.
52

Westlund, O. (2013), 'Mobile news: A review and model of journalism in an age of mobile media', *Digital Journalism*, 1:1, pp. 6–26.

SUGGESTED CITATION

CONTRIBUTOR DETAILS

Dr Andrew Fox has been an academic member of staff at the University of Huddersfield since 2003, and was recently conferred with a Ph.D. by the School of Journalism, Media and Culture at Cardiff University. He also holds an M.A. in Communication Studies from the Institute of Communication Studies at Leeds University. Since completion of his Ph.D. he has contributed to conference papers, journal articles and books on topics including genre studies, convergence within the newsroom environment and media events.

Email: a.fox@hud.ac.uk,

Dr Bianca Mitu is Senior Lecturer in ~~Broadcasting~~ and Journalism at the University of Wolverhampton, UK. Former journalist, Bianca holds a Ph.D. in Media and Communication Studies ~~and is Fellow of the Higher Education Academy, UK.~~ She was a Visiting Scholar at the University of Westminster and the University of Paris III: Sorbonne Nouvelle. Her research interests lie ~~in television studies, internet studies and media sociology; She is the Head of CCMRC.eu Research Center; an active member of international scientific associations such as IAMCR, ECREA, MeCCSA; and an active editorial board member of Journal of Journalism and Mass Communication, Interpersona, and International Journal of Communication and Health.~~

Email: b.mitu@wlv.ac.uk

MERCEDES MEDINA, MÓNICA HERRERO AND CRISTINA ETAYO
University of Navarra

The impact of DTT in the willingness to pay for TV in Spain

ABSTRACT

The analogue switchover took place in Spain in April 2010, with the subsequent increase in the number of available channels for the citizens. New suppliers of audio-visual contents have appeared and a mixture of pay-services and free ones are competing. The aim of this article is to analyse the influence of socio-demographic variables in the subscription to television services before and after the full implementation of digital terrestrial television. Moreover, we will explore the possible relations between socio-demographic variables and reasons to subscribe. The theoretical framework is based on the nature of pay television as a media product and the audience satisfaction and willingness to pay for television. In order to contextualize the Spanish market in a broader international perspective, we provide some comparative aspects of the digital television developments in other European countries. The data for the empirical analysis of the willingness to pay for television contents in Spain come from two original surveys conducted in 2008 and 2012 and the sample size was 1000 individuals.

KEYWORDS

digital terrestrial
    television (DTT)
willingness to pay
subscription to pay-tv
audience satisfaction
socio-demographic
    variables
television market
    competition
Spain

INTRODUCTION

The options for video consumption has dramatically changed in the recent years and even more so since the implementation of digital terrestrial television across Europe. New suppliers of audio-visual contents have appeared and a mixture

of pay television and free-to-air services are competing against one another. Digital terrestrial television was introduced across Europe because of its advantages in spectrum use and its ability to increase the number of channels with the clear purpose to replace the existing terrestrial television broadcasting.

The aim of this article is to analyse the influence of socio-demographic variables in the subscription to television services before and after the full implementation of digital terrestrial television. The increment of television offering can impact negatively into the willingness to pay for contents. Hence, if there is any significant change between 2008 and 2012, we might have some implications for marketing purposes of the pay-television providers.

After reviewing the literature concerning the nature of pay television as a media product and the audience satisfaction theory and the willingness to pay for television research, we will briefly describe the Spanish television market in the recent years in comparison to other European countries.

The data for the empirical analysis on audience television consumption come from two original surveys conducted in Spain in 2008 and 2012. The sample size was 1000 and data were collected by telephone (CATI). The target population consisted of people older than fourteen living in Spain. The sample distribution was designed to be representative of this population.

LITERATURE REVIEW

In the process of reviewing the literature concerning subscription to television services, we have clearly differentiated among two main topics that could contribute to the theoretical framework and better understanding of our research. First, we will study the economic nature of pay television as a media product and, to some extent, as a commodity within the media market. Second, we will focus on the willingness to pay for contents research.

The economic nature of pay television as a media product

In Europe, the television market has been generally funded by advertising. Though in some countries, direct viewer payment has constantly been increasing and has been more stable than advertising revenues (Schwaiger and Serra 2014: 9). In the Internet, most of the contents have been also offered on a free basis. Some studies regarding the fact of paying for online contents have been a step towards investigating the economic nature of media products using the theory of goods. It seems interesting to apply this theory to the consideration of pay television as a media product.

In microeconomics, the theory of goods distinguishes inferior goods from normal goods. Inferior goods are defined as goods for which an increase in income decreases consumption, *ceteris paribus* (i.e., everything else held constant). In other words, when income increases, the demand for an inferior good decreases; when income decreases, the demand for an inferior good increases, other things being equal. In economic terms, whether a product is an inferior good is determined by the relationship between income and demand, not by the quality of the good. 'Normal goods', on the other hand, are characterized by a positive relationship between income and demand. When income increases, the demand for normal goods also increases. To determine whether a good is an inferior or normal good, the relationship between income and demand must be measured by the income elasticity of demand, which is calculated as the percentage change in quantity demanded divided by the percentage change in income.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

Most media products are assumed to be normal goods, and the demand for media products has been generally considered as inelastic, since for most media products the price has been zero. This has been the case for the television industry.

Having this context, we agree with Dou on the hypothesis she formulates regarding paying for online content: 'the fewer free alternatives that an internet user knows to exist on the Internet, the more likely he or she is to pay for an online content offering' (Dou 2004: 351). There is a certain analogy between paying for online content and for television contents, which seems to be rooted in the availability of the content for free, and, therefore, on the exclusivity for offering certain programmes.

It should not be forgotten that pay-television channels based their initial development on programming genres that the audience was already familiar with and had accepted, which were quite different from minority interest genres. A study of the origins of pay-television shows that in every country recent films and sport events made up the first programming to be offered. The monopolistic situation and the absence of a true price in the television industry permitted the pay channels to achieve exclusivity in those majority interest programmes, drivers of the subscriptions (Herrero 2003).

Given the intangible and emotional dimension of media products, some authors consider certain media products as hedonic goods. Following Clement et al., 'the consumption of movies and hedonic goods in general, is often accompanied by multisensory, fantasy and emotive aspects […] the attributes of utilitarian goods differ fundamentally from those of hedonic goods, in that they are more objective, functional and tangible' (Clement et al. 2006: 155). According to Holbrook and Hirschman (1982: 93), 'in research on hedonic consumption, however, this range of feelings plays a major role. The seeking of emotional arousal is posited to be a major motivation for the consumption of certain product classes, e.g., novels, plays and sporting events'. Therefore, it seems clear that the popular programming, which seems to be a driver of subscription, shares some characteristics of hedonic goods, much more than that of utilitarian goods.

Moreover, sport events being one of the key drivers of subscription in pay television, it seems interesting to pay attention to the literature on sport attendance. According to Roca (2012: 87), 'spectator sports have been traditionally associated with inferior goods, the relationship between attendances and income levels being often an inverse one. As people get wealthier, they afford to buy other forms of leisure'. This theory reinforces the consideration of programming for which people are willing to pay as popular and, therefore, not elitist or minority interest.

However, the nature of popular programming does not only affect the consideration of the hedonic dimension; indeed, it reinforces it. In this sense, the subscription for watching sports and movies satisfies a series of emotions and feelings, further than a utilitarian need. Therefore, it is reasonable to think that socio-demographic variables related to income and occupation are insignificant, because rather than rational reasons, emotional ones drive, in many cases, the decision of subscription.

In this regard, it is interesting to study Okada on the need to justify the acquisition of hedonic goods versus utilitarian goods according to the type of benefits that accrue: 'Hedonic goods deliver benefits primarily in the form of experiential enjoyment, which may be more difficult to evaluate and quantify than the practical, functional benefits that utilitarian goods deliver. Quantifiable reasons are easier to justify' (2005: 44).

We could easily assert that pay television remains a normal good since the willingness to pay is rooted in the exclusivity of contents and not in the availability of such contents for free. The intangible and emotional dimension of media products may help to increase the consideration of pay television as a hedonic good, since the emotional aspects are linked to popular programming such as sport events, which people are not eager to renounce, even in times of low familiar incomes. Therefore, the impossibility of accessing such contents becomes the justification for subscription. Following Okada, 'people become more likely to consume hedonic goods when the decision context enables them to justify their motivated choice' (2005: 45).

Audience satisfaction and willingness to pay

There is an evident relationship between the willingness to watch and the willingness to pay for television, in the sense that the willingness to watch precedes the decision of whether to pay for television.

The literature is abundant regarding audience satisfaction, which seems to be an indicator of the willingness to watch certain television programmes or channels, and, therefore, the willingness to pay for them.

Audience research has been very much based on quantitative data coming from audiometers, not qualitative data from the audience evaluation and satisfaction of programmes. However, the literature focused on audience satisfaction from different perspectives is quite broad.

Some authors think that satisfaction is associated with active viewing (Kim and Rubin 1997). Therefore, the more effort that viewers invest in watching certain programmes, the more satisfied they are with viewing (Godlewski and Perse 2010: 153). According to Cooper and Tang, 'factors, such as the audience member's availability and access to television or other media, the ability or willingness to pay for multichannel services, as well as scheduling factors, impact use of television' (2009: 401). However, those are not the only factors. We assume that the quality of the current programmes is also related to satisfaction and influences the willingness to pay for new ones. We agree with Sánchez-Tabernero when he assesses that quality applied to media contents is the result of the corporate effort to satisfy the demands from the public (2009: 151).

The relationship between audience satisfaction and the willingness to watch is greater with subscription channels as the subscription is cancelled if consumers are not satisfied. Since pay-television channels started, they developed their own studies on subscribers' satisfaction. In the Spanish case, *Demoscopia* carried out numerous surveys for the analogue pay-television channel Canal Plus. Just before digital satellite television started, content supply increased as one of the main reasons for ceasing to subscribe. Thus, in 1997, 11.3 per cent of the subscribers who ceased subscription reported the contents as the reason for churning, whereas it was 8.9 per cent in 1991 (Herrero 2003: 95). Therefore, pay-television channels have always been aware of the importance of satisfaction for maintaining their subscribers. A pay digital terrestrial television channel was launched in Spain in 1999, called Quiero TV. It did not succeed and closed down in May 2002. Callejo (2007) developed a focus group among subscribers to this channel, and most of the panellists showed little satisfaction with the contents. They thought that they were similar to the analogue free ones. Their expectation was closer to novelty and diversity and it was frustrated with the pay-TV supply (Callejo 2007: 236).

According to other authors (García 2008; Iosifidis 2011), part of the miscalculation involved may have been a try to exploit DTT using a pay-television business model, while failing to take into account the existing competition in the sector.

From the managerial perspective, research on audience satisfaction is needed to make decisions, especially under direct viewer payment services. In the new digital environment, to create customer value and satisfaction is central to the principle of creating an ongoing relationship with the customer (Kotler and Amstrong 2003; Hennink-Kaminski 2008). As Griffiths (2003: 177) outlines, satisfying the new viewers is more difficult than before, because 'the viewer is set to become even more unreasonable and demanding'. According to him, the new consumers, especially the young, are promiscuous in their viewing and do not stick to television schedules; they are ready to watch several media simultaneously; they are attracted by something in which they can be actively involved electronically; they trust more on the opinion of colleagues and friends than on media and they are ready to steal content and to pass it on. Neuendorf et al. (2000) think that we live in 'the hyper-world of abundance' and that there are many devices and many contents to select. They study what they called 'television of abundance' and address their attention towards the point where audiences can maximize their interests. On the other hand, according to Iosifidis (2007: 5), with the launch of a number of new free-to-air DTT channels, 'saturation of the pay-television market in terms of penetration may be occurring'.

The Spanish market within the European context

The audio-visual market has changed since the implementation of digital terrestrial television (Starks 2013; Van den Broeck and Pierson 2008). On one hand, an increase in the number of competing channels brings about a reduction in the size of the average audience for each channel, so that the average profit per channel declines in commercial television. On the other hand, digital technology made it easier to provide pay-TV services by DTT, in the very same moment in which the development of other forms of digital television by cable and satellite were giving their first steps in some European countries such as Spain, United Kingdom, France and Italy (Ametic 2012: 9). Pay television started being terrestrial in France, Spain and Italy, whereas satellite was the distribution system in the United Kingdom and cable and satellite in Germany (Herrero 2007). Therefore, the competitors and the clients had to deal with a diversity of signal formats, as it happened in the United States when the DTT was launched (Hart 2011).

Spain was one of the first five countries introducing digital terrestrial television, together with the United Kingdom, Sweden, Finland and Germany. The impact of the implementation of digital terrestrial television regarding pay-television services is different in any country and at different times. As it happened in Spain, in the United Kingdom, digital terrestrial television started as a pay service (under the brand ONdigital) and did not succeed (also because of the strong competition by Sky TV) having to evolve towards a free service called Freeview (Given and Norris 2010; Goodwin 2005). In other countries, such as Germany, the number of users of cable and satellite services was extremely high, and so the implementation of digital terrestrial television had little impact in the market as a whole (only 5 per cent of households had terrestrial television in 2005) (Mohr and Thomas 2005).

In the following paragraphs, the case of Spain will be more detailed in order to understand the reasons why the empirical survey was run. The pay-TV model in Spain dates from the 1990s; prior to that time, Spanish viewers were not required to pay for television services, not even a public television licence fee. Canal+ was awarded its licence to broadcast in 1990, and had registered two million subscribers (Herrero 2003). It was a single-channel supplier offering a combination of free-to-air and pay-television programming.

Thereafter, the pay-TV sector became more competitive. The slow implementation of cable may account for why the first digital multiplatforms, such as Canal Satélite Digital (CSD) and Vía Digital, were distributed via satellite. A price war then broke out between the two platforms in relation to subscription fees and content acquisition. However, CSD had a competitive edge over Vía Digital in terms of management, subscriber figures and contents.

CSD belonged to the Sogecable media group, the owner of Canal+. In 1997, it bought exclusive rights of sports and signed agreements with Buena Vista, Polygram, Universal, Time-Warner, Dreamworks and Columbia Tristar. Its competitor, Vía Digital, belonged to Telefonica, the former public telecommunications company.

That competitive context remained unchanged until 2002, when the Spanish government decided to merge both platforms in Digital+ (García 2008). The main reason for this merger was the deficit at Vía Digital, which in turn was due to slow growth in the number of subscribers and the high costs of sports events and feature film broadcasting rights. Besides the fact that Vía Digital had failed to find an audience, the Spanish market proved too small to sustain two pay-digital outlets.

This shift in the market had a variety of consequences. On the one hand, the number of subscribers to the new platform rose, and a range of channels were selected to define and strengthen the brand identity of digital satellite TV at Digital+.

On the other hand, Spanish government authorities showed little interest in the implementation of cable because it appeared difficult to subject to government control and thus seemed capable of establishing a significant sphere of influence during the 1990s. The development of cable involved the integration of telephone lines and Asymmetric Digital Subscriber Line (ADSL) or fibre optics combined with coaxial cable to connect to users' homes. After some political battles, cable was developed. Following a series of mergers and acquisitions, Ono emerged as the largest cable company in Spain. Though there are also a number of regional cable operators such as Euskaltel (the Basque Country), R (Galicia) and Telecable (Cantabria). Furthermore, Telefónica launched another pay-TV service via ADSL in 1997, called as Imagenio.

The possibility of enabling interactivity and including telephone services for a single fee gave cable added value as a communications system. Cable prices were lower than the satellite platforms. However, in addition to the technical and financial barriers faced by cable, there are also the commercial difficulties prompted by market competition with other pay-television services and since 2010 the new free-to-air and pay DTT channels.

Before 2010, Spain was one of the first countries in Europe to launch digital terrestrial television. With political backing, the DTT platform Quiero TV was set up in October 2000. However, the subscriber figures never went above a million and the platform was shut down in 2002 (García 2008).

After this first attempt to implement DTT with a payment model in Spain, new suppliers of audio-visual contents appeared. Since 2010 the rise in the

number of free TV channels, plus the access to online contents and other changes in the market, has had an impact on the television model business model and on the consumption behaviours (Fernández and Díaz-González 2010).

Although DTT enables the distribution of more channels with higher image quality, it is marred by the same problem as traditional broadcasting: radio-electric space is limited and its availability for use is regulated by administrative licenses awarded by the government.

The analogue switch-off took place in April 2010 and three pay digital channels were licensed: a sports channel, Gol TV, which belongs to La Sexta, a new TV company; AXN, which used one of the Unidad Editorial channels; and Canal+2. Besides such pay-television channels, the range of television services on offer also grew significantly from five television channels in 2004 to over twenty by 2012.

There were two financial models available to pay-television subscribers: a subscription fee for a package of channels or pay-per-view fees for specific sports events and movies. The increase in competition across the market led operators to conclude that more profit may be generated by offering channel packages rather than specific pay-per-view contents. Pay-per-view coverage of football has not performed as well in Spain as it has in other countries, mainly for the competitions of the free-TV channels and the high-price completion in acquiring the rights of broadcasting. Only feature films succeeded in drawing pay-television subscribers.

Among Spanish homes, 24.2 per cent subscribe to a pay-television service of some sort. In 2012 there were 4.16m pay-TV subscribers in Spain. The market penetration of the various pay-television distribution systems has changed considerably. The market leader in 2010 was the satellite sector, with 1.7m subscribers. However, satellite was overtaken by cable in 2012, likewise with a total of 1.7m subscribers. In 2012, satellite achieved only 1.2m users, and ADSL, 901,000. The number of pay DTT subscribers in 2010 was 347,000. In addition to these systems, a number of telecommunications operators offer pay-TV services, including IP-TV, but their market share is relatively low.

There were no significant differences among pay-TV providers regarding monthly fees in 2010. IPTV services went from 35 euros to 60 euros, including telephone and Internet connection. Cable television fees went between 50 and 80 euros, also including Internet and telephone. The only satellite pay-TV service, Digital Plus, offered a basic fee, just for television channels, of 15 euros, but most users spent between 30 and 65 euros monthly, as a result of the bundling strategies. In fact, the average revenue per user (ARPU) for pay television in Spain in 2011 amounted to 30.20 per home per month, and the total revenue generated by pay television was 1.471 billion, which was lower than both government subsidies (2.334 billion) provided to public channels and the advertising revenues (1.937 billion) (ONTSI 2012).

Some other big changes took place in the market between 2008 and 2012: the elimination of advertising of the public television RTVE (Medina and Ojer 2010); the impact of economic recession in the media sector and on the citizens (Medina and Barron 2013); the launch of new OTT (over-the-top-services); and the increasing piracy phenomenon, which in Spain reached 77 per cent among digital contents (Deloitte 2013). All these changes may influence the consumption habits of television audiences. Among other aspects, the television consumption viewing increased from 227 in 2008 up to 246 in 2012 (Kantar Media 2013).

RESEARCH OBJECTIVES AND METHODOLOGY

The objective of this article is to analyse the influence of socio-demographic variables on the subscription to television services before and after the full implementation of digital terrestrial television and to explore the possible relations between socio-demographic variables and reasons to subscribe.

The methodology is based on an original empirical survey designed by the authors and conducted in 2012 and 2008. The target population consisted of all the residents in Spain aged 14 or over (40,606,471 inhabitants). Sampling was poly-etapic, stratified by autonomous region and size of municipality. The selection of the interviewee in each home was made using gender and age quotas. The final sample size was 1000. A confidence level of 95.5% means a margin of error of 3.1%. Interviews were conducted through CATI (computed aided telephone interview). The average length of the interviews was fifteen minutes. The response rate was 18.40%.

We asked some questions about the reasons to subscribe to pay television, in a scenario before and after of the new abundance of contents. Traditionally, these have to do with popular and exclusive programmes and some other added value, such as choice and avoidance of advertising. Hence, the reasons we selected were to avoid advertising, to increase content choice, to have access to some contents, such as movies, sports, football, documentaries and children's programming. The interviewee answered 1 as not important and 5 as very important. A comparison of this factor in relation to the others, in the years before and after the digital switchover, will permit us to see if there is any significant variation.

The socio-demographic variables were age, sex, education and the occupation of the head of the household. Among these ones, we chose skilled worker, unskilled worker housewife and retiree.

RESULTS

Table 1 presents the results of the estimated logit models carried out to account for subscription to pay-television channels among Spanish consumers. Three such models were estimated: the first includes data for the two years covered by the study; the second, data relating to 2008 only; and the third, the data for 2012 only. As the Chi-squared statistical values show, all three models are globally significant at the one per cent level.

A reading of the model that includes data for both 2008 and 2012 discloses that the coefficient of the variable representing the year is not statistically significant. Thus, controlling for the other factors involved, there would not appear to be any variation in terms of subscription between the years 2008 and 2012. This means that variation between the two years in the rate of subscription would be related to changes in the socio-demographic composition of the audience and not to a temporal tendency.

The variable relating to the sex of the interviewee proves statistically significant in all three models. The results show clearly that men are considerably more likely to subscribe to pay-television channels than women. One explanation could be that men like the kind of contents offered by pay-television channels more. Information below will shed some light on this point.

As regards the variable of age, a comprehensive reading of the sample as a whole prompts the conclusion that the higher the value of the age variable, the lower the likelihood of subscription to pay-television channels. Analysing the data by year, this conclusion is true for 2008, but not for 2012. This would

suggest that the variable of age is of declining significance in relation to consumer behaviour and subscription to pay television. A possible explanation for this difference between the two years could be that older people have a need to go through an adaptation process to pay for watching television. Since they had always been used to watching television for free, they have been more reluctant to start paying for it. However, with the passing of the years they have assumed the naturalness of paying for this service as happens with other products and services.

Regarding the level of educational achievement, measured in terms of number of years spent in the formal education system, the variable correlates positively for the sample as a whole: that is, the more educated the public, the more likely subscription to pay-television channels may be. A reading of the two subsamples shows that this effect was not significant in 2008, but was so in 2012. Thus, education as a variable seems to be playing an increasingly significant role in pay-TV consumption patterns. This could be related to the fact that the introduction of digital television has involved a perception of lower quality in free television. This could have lead more educated and demanding viewers to subscribe to pay television in order to have access to a higher quality offer.

	Total	2008	2012
Constant	−2.798***	−2.096*	−3.223***
	(0.544)	(1.167)	(0.667)
Male	0.348***	0.334**	0.359**
	(0.113)	(0.161)	(0.161)
Age	−0.007*	−0.012**	−0.001
	(0.004)	(0.005)	(0.005)
Education	0.057***	0.038	0.076**
	(0.018)	(0.025)	(0.026)
Skilled worker	0.978**	0.819	0.931*
	(0.447)	(1.081)	(0.495)
Unskilled worker	0.899**	0.628	0.963*
	(0.444)	(1.081)	(0.490)
Housewife	0.792	0.984	−0.326
	(0.589)	(1.158)	(1.142)
Retiree	0.571	0.295	0.586
	(0.479)	(1.110)	(0.548)
Year 2012	0.128		
	(0.110)		
N	1960	979	981
Chi-2	54.958***	28.982***	31.433***
Log L	−1023.669	−499.599	−520.894
NagelkerkePseudo R2	0.042	0.045	0.047

The category omitted from 'Occupation (head of household)' is unemployed.
  *p < 0.10, **p < 0.05, ***p < 0.01

Table 1: Logit model results for subscriptions to pay-television channels.

Studying the occupation of the head of household, the variable used to estimate the household's financial potential, discloses the following conclusion for the sample as a whole: households in which the head is working are more likely to subscribe to pay-television channels than are households where the head is unemployed (taken as the reference value). However, no significant differences were discernible between the latter and households where the head was a housewife or a retiree. These results are reasonably consistent for the 2012 subsample, though not for the 2008 subsample, for which the head of household variable did not prove statistically significant. The results for education commented above also point to this conclusion, since education could also be a proxy for the financial ability of the viewer. Therefore, the financial status of the household seems to have taken on greater weight with regard to pay-television subscription. This more important role of income in 2012 could be related to the economic situation in that year. Whereas in 2008 the general economic situation was good, Spain in 2012 was in the middle of the economic crisis, which could have made the economy a more determinant factor in the decision to pay for television.

Tables 2, 3 and 4 present the results from the logit models estimated for the variables of sex, age, education and the occupation of the head of household in relation to the significance of reasons cited for subscribing to pay-television channels. Table 2 shows the results of the explanatory models for all sample entries that had subscribed to pay-television channels, including data for both 2008 and 2012. Only one of the seven models estimated proved statistically insignificant for the whole sample – the model relating to the ability to choose. The statistically significant models are those related to the avoidance of advertising, watching first release movies, watching football, other sports, documentaries and programmes for children.

On the basis of the coefficient variable for 2012 in Table 2, it may be concluded, in general, that the influence of all the factors taken into consideration was more significant in 2012 than in 2008. The only factors whose importance remained unchanged are those regarded as most important: an increase in choice for viewers and access to children's programmes. Access to football matches and other sporting events were the factors that experienced greatest increases over the period. This shows that the decision of subscribing to television channels is becoming a more complex process, where more factors are taken into account.

Table 2 also shows that men subscribe more than women to pay-television channels so as to avoid advertising (which men tend to like less than women do), as well as to watch football and see other sports. These results are conducive with gender differences in television viewing since men prefer sports and are more reluctant in advertising than women. As regards the variable of age, younger viewers tend pay for television contents because of the possibility of a greater choice, while older viewers tend to act on the possibility of watching more documentaries and sports other than football. Regarding educational level, more educated users tend to subscribe so as to avoid advertising, whereas viewers with less formal education do so in order to watch more football and other sports. As in the case of gender, for age and education the reasons for subscribing to pay television are related to genre preferences, so that subscription to a television channel is a way of having more and better access to preferred programmes. In relation to the occupation of the head of household, retired subscribers – compared with the unemployed – pay to view television so as to avail themselves of a wider range of programming options.

Table 3 presents the data for the models estimated in relation to the 2008 subsample only. Seven of the models are statistically significant; three are not so. The statistically significant models relate to the following factors: avoidance of advertising and an interest in watching football, other sports and documentaries.

The effect of the variable of sex is the same as that found in Table 2. Age has a bearing only insofar as the fact that the older the viewer, the greater the interest in watching documentaries. This result was also registered in Table 2. Neither educational level nor the occupation of the head of household was noted as having an influence on the reasons for subscribing in the 2008 subsample.

Table 4 presents the data for the models estimated in relation to the 2012 subsample only. In this instance, four of the models overall were statistically significant – those relating to an interest in watching football, other sports, children's programming and documentaries.

As proved to be the case in relation to the two previous tables, men were more likely than women to attribute their subscription to pay-television services to the desire to watch football and other sports. Women more frequently cited access to children's programming, a factor that did not feature as significant in 2008. This can be related to the fact that women perceived that children programming has worsened with DTT.

	Avoid advertising	More choice	Films	Football	Other sports	Children	Documentaries
Male	0.552***	0.058	−0.083	1.019***	0.942***	−0.204	−0.163
	(0.180)	(0.186)	(0.179)	(0.183)	(0.182)	(0.181)	(0.180)
Age	0.008	−0.010*	−0.003	0.001	0.010*	−0.002	0.028***
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Education	0.049*	0.046	0.035	−0.066**	−0.051*	−0.017	0.039
	(0.029)	(0.030)	(0.028)	(0.029)	(0.029)	(0.029)	(0.029)
Skilled worker	−0.963	1.206	1.033	0.402	1.116	−0.714	0.660
	(0.792)	(0.773)	(0.749)	(0.769)	(0.758)	(0.752)	(0.760)
Unskilled worker	−0.433	1.235	1.122	0.296	1.051	−0.217	0.904
	(0.788)	(0.769)	(0.746)	(0.765)	(0.754)	(0.747)	(0.757)
Housewife	−0.873	0.268	−0.097	0.228	0.612	−1.575	1.070
	(1.084)	(1.037)	(0.981)	(1.003)	(1.019)	(1.079)	(1.011)
Retiree	−0.783	1.616*	0.701	0.348	0.863	−0.720	0.562
	(0.840)	(0.827)	(0.796)	(0.822)	(0.807)	(0.805)	(0.811)
Year 2012	0.416**	0.153	0.432**	0.925***	0.911***	0.276	0.635***
	(0.178)	(0.184)	(0.178)	(0.182)	(0.181)	(0.179)	(0.180)
N	440	441	439	444	437	440	440
Chi-2	25.384***	12.632	17.029**	60.940***	59.085***	17.206**	45.544***
Log L	-413.63	−351.332	-438.233	-418.896	-419.497	-428.934	−312.907
Nagelkerke Pseudo R2	0.060	0.013	0.041	0.137	0.134	0.041	0.105

The category omitted from 'Occupation (head of household)' is unemployed

*p < 0.10, **p < 0.05, ***p < 0.01

Table 2: Ordered logit model results for reasons for subscriptions to pay-television channels (total sample).

	Avoid advertising	More choice	Films	Football	Other sports	Children's programmes	Documentaries
Constant	0.806***	−0.245	−0.054	1.063***	1.251***	0.083	−0.163
	(0.253)	(0.261)	(0.250)	(0.254)	(0.262)	(0.260)	(0.251)
Male	0.009	−0.007	0.001	0.002	0.001	0.007	0.030***
	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)
Age	(0.037)	0.058	−0.021	−0.042	−0.039	−0.024	0.046
	(0.038)	(0.041)	(0.039)	(0.039)	(0.039)	(0.040)	(0.039)
Education	−0.481	0.728	0.674	0.372	0.314	0.348	−0.257
	(0.616)	(0.603)	(0.563)	(0.572)	(0.592)	(0.617)	(0.573)
Skilled worker	−0.013	0.671	0.748	0.384	0.397	0.798	0.184
	(0.610)	(0.596)	(0.560)	(0.567)	(0.587)	(0.611)	(0.568)
Unskilled worker	−0.500	1.137	−0.326	−0.207	0.381	0.311	−0.339
	(0.760)	(0.759)	(0.704)	(0.719)	(0.734)	(0.768)	(0.721)
Retiree	217	216	215	219	212	215	215
N	14.516**	6.357	6.277	20.597***	25.768***	5.447	19.970***
Chi-2	−217.574	−187.62	−220.461	−231.089	−213.78	−200.258	−216.270
Log L	0.069	0.032	0.031	0.095	0.121	0.027	0.094
Nagelkerke Pseudo R2	0.069	0.032	0.031	0.095	0.121	0.027	0.094

The category omitted from 'Occupation (head of household)' is unemployed or housewife.
*p < 0.10, **p < 0.05, ***p < 0.01

Table 3: Ordered logit model results for reasons for subscriptions to pay-television channels (2008 sample).

	Avoid advertising	choice	Films	Football	Other sports	Children	Documentaries
Male	0.264	0.160	−0.167	0.962***	0.644**	−0.439*	−0.170
	(0.259)	(0.268)	(0.259)	(0.268)	(0.259)	(0.254)	(0.258)
Age	0.009	−0.017**	−0.009	0.001	0.020**	−0.014*	0.027***
	(0.008)	(0.009)	(0.008)	(0.009)	(0.008)	(0.008)	(0.009)
Education	0.063	0.023	0.092**	−0.112**	−0.070	−0.017	0.023
	(0.042)	(0.044)	(0.042)	(0.045)	(0.043)	(0.042)	(0.043)
Skilled worker	−0.044	0.604	0.617	0.087	0.587	−0.595	0.809
	(0.625)	(0.646)	(0.617)	(0.656)	(0.623)	(0.616)	(0.622)
Unskilled worker	0.490	0.752	0.719	−0.174	0.345	−0.151	0.842
	(0.607)	(0.628)	(0.599)	(0.635)	(0.604)	(0.596)	(0.604)
Retiree	0.306	1.099	0.856	0.378	0.134	−0.429	0.656
	(0.747)	(0.774)	(0.737)	(0.806)	(0.751)	(0.741)	(0.747)
N	231	233	232	233	233	233	233
Chi-2	6.992	6.331	8.903	24.437***	17.263***	13.488**	14.067**
Log L	−205.117	−169.700	−223.524	−193.821	−213.036	−233.132	−213.204
Nagelkerke Pseudo R2	0.032	0.030	0.040	0.108	0.076	0.060	0.063

The category omitted from 'Occupation (head of household)' is unemployed or housewife
*p < 0.10, **p < 0.05, ***p < 0.01

Table 4: Ordered logit model results for reasons for subscriptions to pay-TV channels (2012 sample).

As was the case in the table of data relating to the sample as a whole, the variable of age saw younger viewers opt for subscription as a means of accessing more contents, and older viewers so as to watch documentaries and sports other than football. Moreover, the older the viewer, the lower the importance attributed to children's programming.

In relation to educational level, television viewers with less formal education tend to subscribe to pay TV so as to watch football, whereas those with higher levels of educational achievement do so in order to watch newly released films. Occupation of head of household did not have a significant bearing on any of the seven models estimated. At this point it is important to note that occupation was relevant in explaining the decision to subscribe, but it is not relevant for explaining the reasons behind it.

In summary, in the period analysed there have been only small changes in the factors explaining the reasons for paying for television.

CONCLUSIONS

The results show that subscription to television is a consumer good and, in general, functions as a normal good – susceptible to price, programming offers and acquisitive power. However, it is noteworthy that the financial standing of the household was not a significant factor in 2008, which suggests that pay-television as a product may have a hedonic dimension. In 2012, by contrast, when the financial crisis was at its height, pay television behaved as a hedonic product.

The influence of socio-demographic variables on pay-television subscription services has also been discerned. The variation between the two sample years (before and after the implementation of digital television) was marked by the variable of age, which was not significant in 2012, and educational level, which proved more significant in 2012. With regard to the latter, the range of free digital television options on offer by that time may account for why pay television attracted a high educational level target, who were not satisfied with what was currently available and sought out exclusive content.

Since the variation between the two years is very low, the implementation of digital terrestrial television seams not to be the most significant factor. Hence the DTT offer is not enough to satisfy audience willingness to watch television. It seems viewers still prefer to pay to watch exclusive football matches and movies.

There are a number of significant differences in the link between reasons for subscription and socio-demographic variables. This interaction evinces the fundamental importance of television contents, which are directly related to viewer satisfaction. For instance, women are more likely to cite children's programming as a reason for taking out a subscription to pay-television contents; those with less formal education cite an interest in watching football; and the older the viewer, the more interest in the range of documentaries on offer. So as the literature recognizes, television programming can be considered more as a hedonistic good whose selection is based on cultural and emotional aspects, such as tastes, likes and family entertaining needs, than rational motives such as incomes.

As with all studies, this research has limitations. The use of a survey generates a sufficient sample for the purpose of this study. However, only two years has been analysed. The scope of this study included socio-demographic variables. It did not investigate other factors that may contribute to people´s

willingness to pay. Future scholars will need to continue this research with additional variables.

Moreover, it would be of a great interest to compare these results with other similar studies carried out in other countries.

REFERENCES

Ametic (2012), *Informe de la industria de los contenidos digitales/Digital Contents Report*, Ametic: Madrid.

Callejo, J. (2007), 'La digitalización de la audiencia televisiva: experiencias y expectativas'/'Digitalization in televisión audiences: Experiences and expectations', in J. Marzal and A. Casero (eds), *El desarrollo de la televisión digital en España/Digital Television Development in Spain*, La Coruña: Netbiblo, pp. 223–44.

Clement, M., Fabel, S. and Schmidt-Stölting, C. (2006), 'The diffusion of hedonic goods: A literature review', *The International Journal on Media Management*, 8:4, pp. 155–63.

Cooper, R. and Tang, T. (2009), 'Predicting audience exposure to television in today's media environment: An empirical integration of active-audience and structural theories', *Journal of Broadcasting & Electronic Media*, 53:3, pp. 400–18.

Deloitte (2013), *Tecnología, Medios de Comunicación y Telecomunicaciones. Predicciones 2013*. Deloitte: Madrid.

Dou, W. (2004), 'Will Internet users pay for online content?', *Journal of Advertising Research*, 44:4, pp. 349–59.

Fernández, I. and Díaz-González, M. J. (2010), 'Digital Terrestrial Television rollout policies in Spain and the changing scene of television in the context of analogue switch-off', *International Journal of Digital Television*, 3:3, pp. 289–307.

García, M. T. (2008), 'DTT in the UK and Spain: A comparative policy analysis (1998–2006)', *Info*, 10:3, pp. 39–50.

Given, J. and Norris, P. (2010), 'Would the real Freeview please stand up?', *International Journal of Digital Television*, 1:1, pp. 51–68.

Godlewski, L. R. and Elisabeth, M. P. (2010), 'Audience activity and reality television: Identification, online activity, and satisfaction', *Communication Quarterly*, 58:2, pp. 148–69.

Goodwin, P. (2005), 'United Kingdom: Never mind the policy, feel the growth', in A. Brown and R. Picard (eds), *Digital Television in Europe*, Mahwah, NJ: Lawrence Erlbaum Associate, pp. 151–80.

Griffiths, A. (2003), *Digital Television Strategies: Business Challenges and Opportunities*, New York: Palgrave Macmillan.

Hart, J. (2011), 'The Transition to Digital Television in the United States: The Endgame', *International Journal of Digital Television,* 1: 1, pp. 7–29.

Hennink-Kaminski, H. (2008), 'Telecommunications marketing', in R. Gershon (ed.), *Telecommunications and Business Strategy*, New York: Routledge, pp. 321–39.

Herrero, M. (2003), *Programming and Direct Viewer Payment for Television. The Case of Canal Plus Spain*, Pamplona: Eunsa.

_____ (2007), *Mercado de la televisión de pago en España. Canal plus (1990–2000)/ Pay-TV Market in Spain*, Pamplona: Ulzama Ediciones.

Herrero, M. and Arrese, A. (2005), 'Spain: A market in turmoil', in A. Brown and R. Picard (eds), *Digital Terrestrial Television in Europe*, New Jersey: Lawrence Erlbaum Associates, pp. 181–202.

Holbrook, M. B. and Hirschman, E. C. (1982), 'The experiential aspects of consumption: Consumer fantasies, feelings, and fun', *Journal of Consumer Research*, 9:2, pp. 132–40.

Iosifidis, P. (2007), 'Digital TV, digital switchover and public service broadcasting in Europe', *Javnost-The Public*, 14:1, pp. 5–20.

____ (2011), 'Growing pains? The transition to digital television in Europe', *European Journal of Communication*, 26:1, pp. 3–17.

Kantar Media (2014), 'Anuario audiencias de TV/TV audiences annual report', KantarMedia, http://anuario2014.kantarmedia.es/. Accessed 2 June 2015.

Kim, J. and Rubin, A.,M. (1997), 'The variable influence of audience activity on media effects', *Communication Research*, 24:2, pp. 107–35.

Kotler, P., and Armstrong, G. (2003-11ª), *Marketing: An Introduction*, Englewood Cliffs, NJ: Prentice-Hall.

Medina, M. and Barrón, L. (2013), 'The impact of the recession on the TV industry in Mexico and Spain', *Comunicación y Sociedad*, 25:2, pp. 27–46.

Medina, M. and Ojer, T. (2010), 'The New Spanish Public Service Broadcasting model', *Comunicación y Sociedad*, 33:2, pp. 329–59.

Mohr, N. and Thomas, G.P. (2005), 'Germany: Large Free-to-Air Offerings Delay Digital Take –Up', in A. Brown and R. Picard (eds), *Digital Terrestrial Television in Europe*, New Jersey: Lawrence Erlbaum Associates, pp. 293–316.

Neuendorf, K., Jeffres, L. W. and Atkin, D. (2000), 'The television of abundance arrives: Cable choices and interest maximization', *Telematics and Informatics*, 17: 3, pp. 169–97.

ONTSI (2012), *Las TIC en los hogares españoles, Estudio de demanda y uso de Servicios de Telecomunicaciones y Sociedad de la Información/ICT in Spanish Homes. Demand and Use Study*, Madrid: Observatorio Nacional de las Telecomunicaciones y de la Sociedad de la Información, http://www.ontsi.red.es/ontsi/sites/default/files/informe_anual_la_sociedad_en_red_2012_edicion_2013_1.pdf. Accessed 19 January 2015.

Okada, E. M. (2005), 'Justification effects on consumer choice of hedonic and utilitarian goods', *Journal of Marketing Research*, 42:1, pp. 43–53.

Roşca, V. (2012), 'Spending power and match attendance: Is Romanian football a normal or an inferior good?', *Theoretical and Applied Economics*, 19:10, pp. 85–92.

Sánchez-Tabernero, A. (2009), *Dirección estratégica de empresas de comunicación/Strategic Management of Media Companies*, Madrid: Cátedra.

Schwaiger, C. and Serra, J.. (2014), 'Digitization: DO or DIE! EU5 Media Flow of Funds 2014 Arthur D Little', www.adl.com/mediaflowoffunds2014. Accessed 2 June 2015

Starks, M. (2013), *The Digital Television Revolution*, UK: Palgrave Macmillan.

Van den Broeck, W. and Pierson, J. (2008), *Digital Television in Europe*, Brussels: Vubpress.

SUGGESTED CITATION

CONTRIBUTOR DETAILS

Mercedes Medina [ORCID ID0000-0003-1754-6811] is an Associate Professor of Media Economics at the School of Communication (University of Navarra, Spain). Her teaching and research focuses on management of audio-visual contents, new business models and media market in Europe and Latin America.

E-mail: mmedina@unav.es

Mónica Herrero [ORCID ID 0000-0002-3695-4143] is an Associate Professor of media management and media markets at the School of Communication (University of Navarra, Spain). Her research focuses on television economics, new television products and on the new relationships in the digital era.

E-mail: moherrero@unav.es

Cristina Etayo [ORCID ID0000-0002-8464-0691] is Associate Professor of Marketing Research at the School of Communication in the University of Navarra (Spain). She develops her research mainly in the area of mass media communication, especially in television advertising. She is currently working on a project on new audio-visual consumption patterns in Europe, where she analyses the impact of digitalization on media consumption by people and on the media industry.

E-mail: cetayo@unav.es

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

DÉBORA MEDEIROS
Free University of Berlin

Public or state owned? The Brazilian Company of Communications (EBC) in the context of the democratization of the media in Brazil

ABSTRACT

In 2007, President Luiz Inácio 'Lula' da Silva founded the Brazilian Company of Communications (Empresa Brasil de Comunicação – EBC), sparking a debate around the concept of public service broadcasting in the country: is the EBC truly public or is it state owned? And, more importantly, how can it contribute to the democratization of communication in Brazil? Supported by the company's own publicly available documents, as well as studies of the Brazilian legislation, I offer an answer to the question posed above by analysing the EBC in light of three analytical categories: programming and national mission; organizational structure and level of autonomy; and editorial independence. These categories were developed based on reputable international sources and focusing on diverse aspects, ranging from the editorial line to the administrative structure. With this article, I hope to give my

own contribution to the important discussion around the nature of public service broadcasting in developing democratic countries like Brazil, where other models than the ones known in Europe for public service broadcasting are being implemented or changed to fit these countries' specific realities.

INTRODUCTION

In 2007, President Luiz Inácio 'Lula' da Silva took what he considered an important step in creating a truly national public service broadcaster in Brazil, founding the Brazilian Company of Communications (Empresa Brasil de Comunicação – EBC). Centralizing the operations of other former public communication organizations, such as RADIOBRAS and TVE, the EBC aimed at unifying different initiatives in the field. It also would provide Brazilian audiences with a public TV channel with national reach, TV Brasil, created in the same year as the EBC. These efforts have sparked a debate around the concept of public service broadcasting in the country. Based on the Brazilian 1988 Constitution and on the EBC's administrative structure and funding, various authors (Filho and Cabral 2009); Moreira and Rodrigues Helal 2009; Zuculoto 2011) have already tried to find an answer to the most persistent question in this discussion: is the EBC truly public or is it state owned? And, more importantly, how can it contribute to the democratization of communication in Brazil?

In this article, I introduce the reader to the Brazilian media landscape in the first section, highlighting issues such as concentration of media ownership and government communication policies. Then, I provide details about the structure and creation of the EBC in the second section, linking it to the broader discussions around the democratization of communication taking place in the country. In the third section, I describe my own analytical categories, based on various reputable sources, which will help me answer the question regarding the EBC's status as public or state owned and its potential contribution to the democratization of the media landscape in Brazil. Combined, these three sections shall provide an in-depth and contextualized overview of the EBC, its goals and activities, as well as its role in the process of democratization of communication in the country. With this article, I hope to give my own contribution to the important discussion around the nature of public service broadcasting in Brazil and introduce both Brazilian and international readers to the debates on communication that are currently taking place in the country, situating them in a global context.

BRAZILIAN PUBLIC SERVICE BROADCASTING: GENESIS AND PECULIARITIES

Radio broadcasting in Brazil began as a private endeavour, pursued by Edgard Roquette-Pinto, a medical examiner, professor, anthropologist and writer, who founded the radio station Rádio Sociedade do Rio de Janeiro on 20 April 1923 in Rio de Janeiro (Ortriwano 2002). Roquette-Pinto had decided to create his own station after following the transmission of President Epitácio Pessoa's speech during the commemoration of the centenary of Brazil's Independence, on 7 September 1922. The broadcast had been carried out by the American company Westinghouse, but was discontinued after the festivities. Ortriwano (1985) draws attention to the fact that Rádio Sociedade was considered quite elitist, since only the Brazilian upper class could afford buying radio receivers and making donations, which consisted on the station's sole income. Leal

1 Filho (2000) says this model was inspired by experiences in Europe such as
2 the BBC, where the audience pays a fee to maintain the station. Authors such
3 as Zuculoto (2011), in turn, defend that the mission Roquette-Pinto outlined
4 for his station, which consisted on broadcasting educational and cultural
5 programmes to the population, established the roots of Brazilian public
6 service broadcasting to this day.
7   One of the reasons why Roquette-Pinto's ideals remain alive in current
8 public radio may be that, in 1936, he donated Rádio Sociedade to the Ministry
9 of Education, thus turning it into the first Brazilian public radio station, after
10 minister Gustavo Capanema promised that Roquette-Pinto's goals would
11 be preserved in the new station, then renamed as Rádio MEC (MEC stands
12 for Ministry of Education and Culture). Since then, other famous, previously
13 private stations, such as PRE 8 – Rádio Nacional do Rio de Janeiro and Rádio
14 Cultura, in São Paulo, joined Rádio MEC as public service broadcasters after
15 they were acquired by the State (Zuculoto 2011).
16   At the same time, commercial radio and, a few decades later, televi-
17 sion flourished in the country, maintaining close ties with politics. TV and
18 radio stations became a part of media conglomerates that were controlled
19 by a handful of families throughout Brazil. Since they already owned news-
20 papers, these families had the political and economic influence to lobby the
21 government for broadcasting licenses. According to the first Broadcasting
22 Act, approved in 1932, and the Brazilian Broadcasting Code, from 1962, radio
23 and television licenses can be granted exclusively by the federal government,
24 making a good relationship with those in power rather desirable for anyone
25 interested in getting into the media business.
26   ~~One example of just how big and powerful these conglomerates could –~~
27 ~~and still can – get is the Diários Associados. Founded in 1924 by Assis~~
28 ~~Chateaubriand,~~ At one point the conglomerate owned 34 newspapers, 36
29 radio stations, eighteen television channels, a news agency, a weekly news
30 magazine and a publishing house (Moreira and Rodrigues Helal 2009). The
31 Globo Organisations, owned by the Marinho family, are a current example of
32 concentration of media ownership. ~~It not only owns one of the countries most~~
33 ~~read newspapers, *O Globo*, but its television network covers over 99 per cent~~
34 ~~of the 5043 Brazilian municipalities, encompassing 121 stations (Moreira and~~
35 ~~Rodrigues Helal 2009).~~
36   Iosifidis summarizes the dangers of a system dominated by such conglom-
37 erates: 'excessive media concentration can endanger media pluralism (the
38 presence of a number of different and independent voices) and diversity in the
39 media (different political opinions and representations of culture within the
40 media)' (2010: 11). In Brazil, this leads to issues such as clientelism and manip-
41 ulation of information, as the owners of large conglomerates use the media
42 as tools to achieve their own political goals (Hallin and Papathanassopoulos
43 2002). Matos (2009) argues that a more complex, diverse media system fits a
44 society that is becoming more inclusive, as has been the case in Brazil due to
45 policies of social inclusion heavily implemented since Lula da Silva's term.
46 Public service broadcasting could play a key role in this process, since its
47 mission and goals diverge significantly from those of commercial broadcast-
48 ing. According to Raboy, public service broadcasting's main purpose is 'to do
49 what no other mainstream media institution can be expected to do, and that
50 is: put aside the interests of the state and commercial investors and work to
51 promote democratic practices' (2008: 364). In the Latin American context,
52 Matos (2009) describes the attempts to establish a strong public media system

as a reaction to a commercially dominated system that flourished during the region's recent authoritarian past.

In a global context, Leal Filho (2000) argues that Europe built its media system based on a public focus, while the commercial focus prevailed in the United States, as Raboy (1998) also observed in his characterization of public, commercial and state core systems. Brazil structured its media system based on the American model, but its public service broadcasting sector remains stuck between this model and the European model. As a result, Brazil's public broadcasters face financial difficulties and the State's neo-liberal policies, usually in favour of the market (Leal Filho 2000; Moreira 2010). We can follow these developments throughout the sector's history.

Zuculoto (2011) traces a chronology of the development of public stations, dividing it into five periods or phases. The first period lasted from 1920, when Rádio Sociedade was founded, to 1940, after it became state owned. The author considers it a pioneering phase. The station's transition from private to state owned was rather fluid, as 'in this period, there is still no division between commercial and non-commercial systems' (Zuculoto 2011: 335). The educational aims expressed by Roquette-Pinto in the first phase were embraced by the whole public media system in the second phase, which lasted from the mid-1940s to the beginning of the 1970s. While commercial radio experienced a so-called Golden Era, marked by singing stars and radio soap operas, public stations focused on broadcasting formal classes and instructional educational programmes. The third phase took place under the military dictatorship in Brazil, between the decades of 1970 and 1980. Through law 263/67, the military limited public stations' role to providing formal education, so that they would not compete directly with commercial stations (Bolaño and Britos 2008). The goal of national unity defended by the military was put into practice, in the media, through the establishment of a nationwide network system (Amaral and Guimarães 1994), which basically allowed big TV stations, such as Rede Globo or TV Manchete, both based in Rio de Janeiro, to increase their reach through affiliated stations located throughout the country. These stations retransmitted the main stations' programmes. This also extended to public service broadcasting, through the SINRED (National Educational Broadcasting System), which created a national network for public stations, encouraging co-productions and programme exchanges. Two of the most retransmitted public TV stations were created around that time. In 1973, the Padre Anchieta Foundation, which already controlled the public radio station Rádio Cultura, created the TV station TV Cultura. That same year the Educational Communication Association Roquette Pinto, a non-profit organization linked to the federal government, created TVE Brasil (Moreira 2010).

The fourth phase took place in the 1990s, after the return of democracy in the country. It was only then that stations bought by the government in the past or controlled by non-profit foundations, as well as university stations, began to call themselves public stations (Zuculoto 2011). This development can be attributed to various factors, among which are the network system, the return of democracy and the rise of movements for the democratization of the media. However, the main reason seems to be the 1988 Federal Constitution, which divides the broadcasting sector in three categories: private, public and state owned. In this nearly one century of Brazilian public service broadcasting, the legislation remains rather vague as to what exactly is public service broadcasting in Brazil. It seems the government was more concerned with

1 making its authority to grant broadcasting licenses clear. Article 223, para-
2 graph 5, of the 1988 Federal Constitution (Brasil. Presidência da República
3 1988) goes into detail about the government's power to grant and revoke
4 broadcasting licenses. The same article also explicitly refers to a public TV
5 system as a goal, in order to complement the state and private systems (Matos
6 and Hazin 2009: 5). The governmental agency ANATEL (National Agency of
7 Telecommunications) controls the technical aspects of broadcasting, but it is
8 also harshly criticized by social movements and experts due to its intransi-
9 gent position towards community radio stations, which involves the seizing
10 of equipment, among other measures against stations that operate without
11 a valid license, even when they are already in the process of renewing or
12 obtaining one (Torres 2011).
13   There was an effort by the stations themselves to find the distinction
14 between public, private and state-owned stations through their programming:
15 'Whether they are state-owned or university radio stations in administration
16 and financing, they believe that through their programming they are estab-
17 lishing themselves as public radio stations or, at least, attempting to do so'
18 (Zuculoto 2011: 337–38). However, the legislative void still remains. Since the
19 beginning of the 2000s, public service broadcasting in Brazil has been experi-
20 encing its fifth phase: with the introduction of digital radio[1] and television, the
21 discussions around the nature and the differences between public and state-
22 owned stations have gained momentum. In 2007, President Luiz Inácio 'Lula'
23 da Silva fuelled this debate by creating the EBC.
24
25
THE STRUCTURE OF THE EBC
27 Raboy (1994) reminds us that the context of broadcasting is a lot more complex
28 in reality than in theory, as it is permeated by the interests of different sectors
29 of society, which influence the whole broadcasting process. This perspective
30 will permeate my analysis of the EBC throughout this article. However, before
31 I can proceed to that, it's important to retrace the company's origins in other
32 public broadcasters in Brazil, such as the RADIOBRÁS, founded in 1975 and
33 controlled by the Ministry of Communication. Among RADIOBRÁS' official
34 goals, the law number 6.301, which enabled its foundation, lists two that are
35 of particular interest for this analysis:
36
37   I To implement and operate the stations, as well as to explore the
38   federal government's broadcasting services
39   II To implement and operate its own networks for repetition and
40   retransmission of broadcasting, exploring its respective services.
41   (Brasil. Presidência da República 1975)
42
43 At the time, Brazil was under a military dictatorship. As pointed out earlier,
44 one of the regime's main projects for the media was the network system,
45 which enabled big stations to broadcast nationwide. RADIOBRÁS was meant
46 to achieve this goal in public service broadcasting by centralizing the opera-
47 tions of all stations that belonged to the federal government and spearhead-
48 ing a network for retransmission formed by public stations. Consequently,
49 RADIOBRÁS directly managed the operations of one news agency, one radio
50 agency, two TV stations and five radio stations that transmitted in short waves,
51 AM and FM. The programmes these stations produced were then broadcast
52 by public stations all over the country, through networks such as the SINRED.

1. Digital radio is progressing more slowly in the country than digital TV, which was introduced in 2007:

The path toward a process of digitalization in radio broadcasting is at a moment of impasse and indecision. For the past ten years, government, radio broadcasting stations, and sectors of civil society have been discussing which technology of digital transmission (IBOC, DRM, or DAB) is to be adopted in the country, without coming to a consensus. (Bianco 2011: 371)

In 2007, RADIOBRÁS became an important part of the EBC, the Brazilian Company of Communications, through the Provisional Order 398 (Filho and Cabral 2009), a constitutional device that enables the president to create a law that comes into effect even before Congress discusses and votes it. The fact that President Lula resorted to this legal device shows how invested he was in creating the EBC. The Provisional Order was later converted into law 11.652 (Brasil. Presidência da República 2008), which allowed the government to create the EBC, defined the company's main goals and other aspects of its activities. The EBC inherited all the broadcasting licenses that belonged to RADIOBRÁS and to TVE Brasil (Filho and Cabral 2009). Unlike RADIOBRÁS, which was connected to the Ministry of Communication, the EBC is linked to the President's Office of Social Communication (Secom). The company itself defines, on its official Facebook profile, the scope of its operations:

> The Brazilian Company of Communications manages TV Brasil, which is a public national channel, the Agência Brasil [Brazilian News Agency], Radioagência Nacional [National Radio News Agency], eight radio stations and the EBC Services [EBC Serviços].
>
> (EBC 2012a)

Each outlet managed by the EBC plays an important role in the company's overall strategy. The Brazilian News Agency was part of RADIOBRÁS and provides news outlets with multimedia news on the government's activities. The National Radio News Agency also belonged to RADIOBRÁS and offers audio content – interviews, spots, news and even radio drama, the so called *radionovelas* – online. The company's website goes into detail about the stations the EBC controls:

> **TV stations**
> TV Brasil
> TV Brasil Internacional
> […]
>
> **Radio stations**
> Eight stations, with a varied programming, form the EBC's public radio network.
> Rádio Nacional AM Brasília – 980KHz
> Rádio Nacional FM Brasília – 96.1MHz
> Rádio Nacional AM Rio de Janeiro – 1.130KHz
> Rádio MEC AM Rio de Janeiro – 800kHz
> Radio MEC AM Brasília – 800KHz
> Rádio MEC FM Rio de Janeiro – 98.9MHz
> Rádio Nacional do Alto Solimões – AM 670KHz e FM 96.1MHz
> Rádio Nacional da Amazônia – OC 11.780KHz e 6.180KHz.
> (EBC 2015, original emphasis)

In addition to TV Brasil, which broadcasts in the Brazilian territory, TV Brasil Internacional defines itself as a public TV channel that brings aspects of the Brazilian culture and reality to foreign audiences, but also makes Brazilians living abroad feel closer to home through its programming (2015). It already

broadcasts, in Portuguese, to 49 African countries, in addition to Portugal, the United States, Japan and various countries in Latin America (TV Brasil Internacional 2015). As for the radio stations, their names already hint at their locations in the country: three of them are based in the capital, Brasília, while three broadcast from Rio de Janeiro and two are located in the northern part of Brazil (Rádio Nacional do Alto Solimões and Rádio da Amazônia). The remaining regions are covered through the network of stations that retransmit the EBC's programmes. EBC Services consists on a source of income to the EBC, providing its various services, such as marketing, clipping, publicity and content production, to the government's Office of Social Communication, other governmental bodies and private institutions (EBC Serviços 2012).

Finally, taking over the infrastructure that belonged to TVE and to TV Nacional, from Brasília, TV Brasil represents the cornerstone of Lula's project for public service broadcasting in Brazil. It began broadcasting in December 2007, the same year the EBC was created, with the goal of defining the nature of public television in Brazil (Moreira 2010). The station will be further described in the next section, as it is an essential element to understand the EBC as a whole. Around the time of its creation, many scholars also regarded the EBC, and particularly TV Brasil, as a step towards democratization of communication in Brazil. Matos explains why that was the case:

> Television in Brazil is the main source of information for a mass audience, but the TV market in the country has been historically constructed around commercial imperatives. Thus the strengthening of the public media can contribute for better quality and unbiased information to be made accessible to the highest number of citizens in the country.
>
> (2009: 11)

The creation of the EBC and of TV Brasil took place in a context of increasing demands for real democratization of Brazil's media system. These demands came from activists, journalists, scholars and civil society in general. In addition, the digitalization of radio and television in the country and the federal government's political will also served as important propellers to the project (Matos 2009; Moreira 2010). However, authors recognize that, while TV Brasil is an important step in the direction demanded by society, deeper reforms are needed in terms of regulation and concessions of broadcasting licenses, still in the hands of few sectors in society (Bolaño and Britos 2008; Matos and Hazin 2009).

After outlining the structure of the EBC and its role in the Brazilian media landscape, we can proceed to the analysis of the research question that permeates this article: in light of the democratic mission public service broadcasting must fulfil worldwide, can the EBC be considered a public service broadcaster?

THE EBC AND THE CHARACTERIZATION OF A PUBLIC SERVICE BROADCASTING WORLDWIDE

There does not seem to be a standard definition of public service broadcasting but some characteristics permeate most of the existing ones, especially in comparison with commercial broadcasting. Matos defines the ideal public broadcaster as 'a public media platform that is capable of providing citizens with independent and quality information, free from both commercial and political pressures' (2009: 6) and rooted in the Habermasian model of the

public sphere. Building on that definition and given the peculiarities in public 1
stations' legislation, programming and management, pointed out through- 2
out this article, I try to answer my research question based not on legisla- 3
tion, management or programming alone, but rather on categories that take 4
all these aspects and many others into account. These categories draw from 5
four main sources that seek to establish clear criteria to define public service 6
broadcasting. 7

Many international bodies have focused on public service broadcasting's 8
role in fostering democracy around the world. I base my analysis on three of 9
the most relevant reports published by them: the World Bank's *Broadcasting,* 10
Voice, and Accountability: A Public Interest Approach to Policy, Law, and 11
Regulation (S. Buckley et al., 2009); the World Radio and Television Council's 12
Public Broadcasting: Why? How? (2001), published by the UNESCO; and the 13
Council of Europe's 'The media in a democratic society, draft resolutions 14
and draft political declaration' (1994). I also draw from an essential source 15
to understand some of the principles that guide the BBC, the Broadcasting 16
Research Unit's (BRU) *The Public Service Idea in British Broadcasting. Main* 17
Principles (1985). Although each source places emphasis on different aspects, 18
their criteria to define a public service broadcaster that fulfils its democratic 19
mission converge around various points: pluralistic programming that reaches 20
as many citizens as possible and respects regional differences and minorities, 21
independence towards the government and the market in terms of funding 22
and management, and editorial independence. I created the following catego- 23
ries to address those points in more detail, as each subsection will show: 24
 25
   Programming and national mission: analysis of aspects such as plural- 26
   ism, national unity and regional diversity in programming, as well as 27
   reach among the general population 28
   Organizational structure and level of autonomy: assessment of how 29
   much autonomy the public broadcaster enjoys in terms of management 30
   and funding 31
   Editorial independence: analysis of the guidelines that permeate jour- 32
   nalistic coverage and how they fit into the broader political context. 33
 34
These three categories will hopefully enable a deeper analysis of the EBC's 35
activities and structure. They could also apply to public broadcasters in other 36
countries, as they are based on international criteria and intertwined with 37
academic sources from all over the world. I will now consider the EBC under 38
these analytical categories, based on two key documents published by the 39
company: its 'Plano de Trabalho 2015'/'Work plans 2015' (EBC 2015), a stra- 40
tegic planning for the year 2015, and its *Manual de Jornalismo/Journalism Style* 41
Guide (EBC 2013). 42
 43
 44
Programming and national mission 45

Various sources highlight the importance of a universal geographical reach. 46
The World Radio and Television Council, for instance, stresses that public 47
service broadcasting 'must be accessible to every citizen throughout the coun- 48
try' (2001: 11). Commercial interests should not guide a public broadcaster's 49
efforts to reach as many citizens as possible. Scannel (2005) illustrates this 50
with the BBC's major investments to increase its reach from 99 per cent to 51
99.1 per cent of the population of the United Kingdom, setting up 65 new 52

transmitting stations in scarcely populated areas. This, he says, would be unthinkable for commercial media outlets, as they tend to invest in densely populated regions, disregarding more deserted areas as less profitable.

According to the EBC's 2015 strategic planning, the company is present in 64% of Brazil's municipalities, in a total of 3580 cities, reaching 163 million people – 85.82% of the Brazilian population (EBC 2015: 4). This was made possible by a network composed of 55 EBC stations that produce and broad-cast content and 728 retransmitting stations (EBC 2015: 4). According to a survey conducted in 2014 in six Brazilian capitals by the EBC, 32 million people watch its TV channel TV Brasil daily. For a company created as recently as 2007, these are rather positive numbers, but there is still a lot of room for improvement. In its strategic planning, the EBC acknowledges that most of its audience are still located in big cities. In comparison, the commercial TV network Globo covers 99% of the population, as described in Section 2. The company vows to expand towards 'new fans' in all regions (EBC 2015: 24) in the near future. In order to achieve this, the EBC is attempting, for example, to invest in more convergence, improving its multimedia offer. It changed its organizational structure to abolish the old division by medium – radio, TV and web – implementing a structure that focuses on content that can be shared on all types of media, from radio to mobile (EBC 2015). Those efforts are comple-mented by initiatives that encourage digital inclusion, such as the National Broadband Program and the Project Brazil 4D, in which fourteen million people registered in the social programme Bolsa Família will have access to digital TV and online offerings.

However important universal geographic reach is, the company's program-ming must complement it by taking the country's regional and ethnic diver-sity into account. This is part of public service broadcasters' national mission, as the BRU summarizes in two of its principles: 'broadcasters should recog-nise their special relationship to the sense of national identity and community' and 'minorities, especially disadvantaged minorities, should receive particular provision' (1985: 5–8). Thus, a public service broadcaster must understand national identity not as a single, homogenizing element, but 'represent or reflect the prevailing differences of culture, opinion and social conditions of the population' (Iosifidis 2010: 12). In the Brazilian context, that means that the EBC should not reproduce the commercial network system's model, in which programming only represents the Brazilian south-east and reaches the whole country indiscriminately. Matos (2009) argues that public broadcasters are the only actors in the media landscape that can promote regional diver-sity, bringing various accents and identities into its programming, regardless of political or economic constraints.

The EBC's style guide advocates the idea that the national identity must be based on diversity and pluralism, portraying all five regions in their unique-ness, thus abandoning the concept of a unified identity (2013).

An interesting point is the company's decision to attach more importance to regional coverage, encouraging the diversity of accents and themes in the EBC's journalistic programming:

As a company with national reach, the EBC must practice a journalism that amplifies its coverage to all the country's regions, without discrimi-nation, stigmatisation, prejudices or favoritism.

(2013: 22)

This is the opposite trend as the one observed in commercial broadcasting since the advent of the network system during the military dictatorship. In order to encourage national unity, TV stations opted for eliminating accents from its coverage (Amaral and Guimarães 1994). Regardless of the region they came from, reporters and news presenters were required to follow a prede-termined, supposedly neutral pattern. This is still the prevailing model in commercial broadcasters.

The national identity is addressed in some of TV Brasil's shows: *Sinfonia Fina*/*Fine Symphony* features composers of Brazilian Pop Music and the cultural magazine *Oncotô* focuses on the Brazilian cultural diversity. Regional diversity is also present in the company's distribution of employees through Brazil's various states: 10% (175 people) work from São Paulo, 54% (828 people) are in Brasília, 31.6% (480 people) are based in Rio de Janeiro and 2.7% (35 people) work in Maranhão (EBC 2015).

With regard to minorities, the EBC's 2015 strategic planning lists acces-sibility among its top priorities, along with 'diversity, content regionalisation, innovation and pluralism' (2015: 3). A Permanent Commission for Accessibility and Inclusion of People with Disabilities was created in January 2012, aiming at making the company's rooms more accessible, as well as improving the accessibility of its radio, television and online content (EBC 2012c). TV Brasil already broadcasts a ten-minute newscast in Brazilian sign language, *Jornal Visual*/*Visual Newscast* (1988), from Monday until Friday. Another show, the 30-minute-long *Programa Especial*/*Special Program* (2004) features a female news presenter on a wheelchair, as well as a reporter with Down syndrome. During the 2014 FIFA World Cup, the EBC produced a multimedia feature to cover accessibility in Brazilian stadiums, as well as inclusive architecture in general (EBC 2014a). The strategic planning also foresees 3.96 million Brazilian Reais (approximately 1.22 million USD) as resources to invest in expanding accessibility (EBC 2015).

While the EBC's strategy to represent people with disabilities seems to be doing quite well, the same cannot be said about its focus on ethnic minorities. The indigenous communities receive considerable attention in the compa-ny's strategic planning: it brings up, for instance, the possibility of making a special coverage of the Indigenous Games, a competition between indigenous communities in traditional modalities. For 2015, the EBC also plans to produce a multimedia special called *Voz das Tribos*/*Voice of the Tribes* (2015), featuring indigenous communities and their versions of the history of Brazil's discovery. In addition, *Brasil Ancestral*/*Ancestral Brazil* (2015), a series of documentaries that will retrace the history of humanity in Brazil, from prehistoric times until now, will include indigenous foundational myths. However, another impor-tant ethnic minority, the quilombolas, are not even mentioned in the same strategic planning. Descendents of African slaves that fled the Brazilian farms before slavery was abolished in the country, in 1888, the quilombolas still live where their ancestors built their communities, named quilombos. Both ethnic minorities are mentioned, however, in the EBC's style guide, which encourages the coverage of 'identities that receive less coverage from conven-tional media, such as Indians [*sic*], *quilombolas* and migrants' (2015, empha-sis added). Broader black audiences are mentioned in the strategic planning when referring to special features on the 40th anniversary of the independ-ence of lusophone African nations (EBC 2015).

As for religious minorities, in December 2014 the EBC took an impor-tant step towards realizing one of the goals already stated in its 2012 strate-

gic planning: 'to reformulate the religious programmes, in order to follow the principle of pluralism, equality and non-proselytism' (2012c). On this date, two ecumenical shows premiered: *Entre o céu e a terra/Between Heaven and Earth* (2014) and *Retratos de Fé/Portraits of Faith* (2015). The former features the perspective of various religions on themes such as death and marriage, while the latter 'is an open space for religions to present themselves without any mediation' (EBC 2015). Gender equality is mentioned only with regard to the EBC's organizational structure, with a predominance of female journalists in its Editorial Committee and the implementation of a Gender and Race Equality Program (2015). Brazilian ~~Lesbian, Gays, Bisexuals and Transsexuals~~ (LGBTs) are not mentioned, hinting at the company's omission in face of the difficulties this minority still experiences in Brazil. The country has the highest LGBT murder rate in the world (Rodgers 2013).

National unity among diversity can be achieved through the creation of a national public sphere, something Scannel (2005) attributes to the (live) coverage of nationwide events, such as sports tournaments or elections. In the British context, the BBC was a pioneer in this area. In Brazil, due to the country's more commercial media system, such live coverage is usually carried out by private stations, but the EBC has also played a role in the coverage of major events such as the 2014 presidential elections and the 2014 FIFA World Cup, generally focusing on aspects commercial media tended to overlook, such as accessibility at stadiums, as I mentioned earlier.

Another important aspect that must permeate a public broadcaster's programming, in order for it to serve its democratic mission, is diversity. The World Radio and Television Council defines it in three ways: 'in terms of the genres of programmes offered, the audiences targeted, and the subjects discussed' (2001: 12). Bolaño (1999) sees a tension between commercial interests for an increasing segmentation of programming on different channels, catering to different sectors of society, and the national interest for a varied, democratic programming in one channel, introducing the audience to different kinds of shows and content. This should be at the core of programming in public service broadcasting, defends Scannel (2005). In the British context, diverse programming in the BBC democratized information to a wide public: 'on behalf of this public the broadcasters asserted a right of access to a wide range of political, cultural, sporting, religious, ceremonial, and entertainment resources which, perforce, had hitherto been accessible only to small, self-selecting, and more or less privileged publics' (Scannell 2005: 16).

As an example of the EBC's diversity in programming, I will describe TV Brasil's 2012 programming, from the EBC's 2013 strategic planning, as it is the ~~last~~ document to contain a detailed breakdown of the programming in numbers. In 2012 TV Brasil broadcast programmes from various sources, among direct productions (~~45.8%~~ of the programmes), foreign licensed shows (~~13.4~~%), national licensed shows (~~9.2%~~) and independent productions (~~21.5%~~) (EBC 2012c). The remaining ~~10.1%~~ seems to be unaccounted for in the text. These programmes covered a wide range of genres, such as distance education courses (broadcast on weekdays early in the morning), shows for children and teenagers (broadcast both in the morning and in the afternoon), religious programmes (an evangelical programme was broadcast on Saturday mornings, while a catholic mass was broadcast on Sunday mornings), movies and documentaries (usually broadcast in the evening and on the weekends), sports (broadcast on Sunday) and news (distributed throughout the day, the whole week, in the form of news bulletins, interviews and longer features)

(EBC 2012c). In addition, the 2015 strategic planning maintains among its main goals 'to offer diversified and attractive content in an integrated, interactive and collaborative way' (EBC 2015: 26). While the EBC seems to be doing fairly well in terms of programming, it is important to look into the structures that permeate the company's daily business, as they may influence the content it broadcasts.

Organizational structure and level of autonomy

A public broadcaster's autonomy can be measured by its organizational structure and its funding. Do they give enough freedom for the company to pursue its own goals and fulfil its democratic mission, without being subject to the influence of the government or the market? In its report, the World Bank places special emphasis on the importance of an independent organizational structure and describes what it ideally looks like:

> Governance arrangements must balance two principles: independence and accountability. This can be achieved through various arrangements. The usual one involves an independent governing board, whose members are appointed in a fair and transparent manner, with the involvement of civil society. In turn, the chief executive is responsible only to the board, rather than the government, and the board is responsible for approving the budget and all general policies, and appointing the most senior executive officers. In this way, the board and its chairperson serve as a buffer between management and government.
>
> (Buckley et al. 2009: 197–98)

In addition, the Governing Board must not interfere with the company's daily business, leaving the decision-making about coverage and programming to its chief executive and his or her staff. Instead, the role of the governing board is to assure accountability by publishing annual reports and liaising with civil society in the company's councils and with Parliament.

The reality in the EBC looks quite different from this model. According to law 11.652 (Brasil. Presidência da República 2008), three Councils manage the company: an Administration Council, a Finance Council and a Curatorial Council. These councils deliberate about the company's activities. Their decisions are then carried out by the Executive Board, which is appointed by the President. Currently, the journalist Nelson Breve is the EBC's Executive Director. The arrangement of the Councils is particularly interesting. As revealed by the section Administrative Structure in the EBC's official website (EBC 2015), two of the five members of the Administration Council belong to the President's Office of Social Communication (Secom), while the remaining members come from the Ministry of Communication, from the Ministry of Planning, Budget and Management and from the EBC's Executive Board (journalist Nelson Breve himself) (EBC 2015). The Finance Council is composed by one member of the President's Office of Social Communication and two members of the National Treasury (EBC 2015). The Curatorial Council, as law 11.652 (Brasil. Presidência da República 2008) describes, is formed by 22 members from civil society, who must be Brazilian citizens and are chosen 'according to cultural diversity and pluralism of professional experience, with each of the Brazilian regions being represented by at least one councillor' (Brasil. Presidência da República 2008). Matos and Hazin (2009)

criticize the fact that these members of civil society are chosen by the pres-
ident, not appointed by civil society itself, which could limit their own
autonomy. They defend a larger presence of citizens and social movements,
particularly the ones that fight for democratization of communication, in the
Curatorial Council.

While Zuculoto (2011) asserts that the government has historically inter-
fered with public stations' activities through its policies for the sector, Filho
and Cabral believe that truly public service broadcasting 'should be managed
and financed by the society, with the State and maybe the Market participa-
tion' (2009: 5). According to them, that is not the case with the EBC. The
risk of suffering political influence from the government might be great, as
the President currently nominates the EBC's entire administrative chain (Filho
and Cabral 2009). This might clash with the criteria discussed earlier. This risk
becomes even greater when it comes hand-in-hand with financial depend-
ence on the state.

The BRU sees broadcasting fees as the ideal way of funding a public broad-
caster: 'one main instrument of broadcasting should be directly funded by the
corpus of users' (1985: 12). To Leal Filho (1999), this allows social control on
the part of the audience over public stations, as citizens are directly financ-
ing them. He also argues that it gives stations more independence towards
the State. However, this kind of independent funding is part of the challenges
public broadcasters face, especially in developing countries, due to factors such
as an average low-household income and competing tax priorities (Buckley et
al. 2009). Implementing such a fee can also be a politically unpopular measure,
as an attempt to charge a fee through electricity bills to sustain TV Cultura in
São Paulo in the 1990s shows (Leal Filho 1999). Authorities eventually dropped
the idea, as citizens and commercial media harshly criticized it.

The EBC's funds come mainly from the government. A broadcasting fee
does not exist. This affects its performance, as implied in the 2015 strategic
planning: 'the budget cut has not only affected the areas of production support,
but also content production, impacting the execution of projects' (EBC 2015:
7). According to this document, the areas of communication and marketing
suffered budget cuts as drastic as 57 per cent. Such limited funds will make the
task of introducing the EBC to new audiences even more difficult.

Congress is responsible for approving the budget every year. As the 2015
strategic planning was published before MPs approved the 2015 general
budget, there was no precise information about how much would be in
fact available for the company in that year. However, the strategic planning
already states that budget cuts would be made, considering Brazil's current
economic situation and the cuts government has been making in other sectors
(EBC 2015). In order to reduce its dependence on government funds, the EBC
seems to be seeking financial alternatives by investing in providing services to
external partners through EBC Services. However, it is debatable whether this
belongs to the public service broadcasting ideal or would make the company
too dependent on the market.

Editorial independence

Access to quality political information through the media is essential to foster
a real democracy, as 'news and commentary enable citizens to make informed
and effective choices about the exercise of state power' (Aalberg et al. 2010:
256). Without editorial independence, a public broadcaster can hardly serve

its democratic mission of delivering pluralistic and unbiased information. Impartial news coverage, freedom of expression and clear guidelines to protect journalistic work from political and commercial pressures are among the criteria all four sources used to define my own analytical categories list.

The EBC's style guide, *Manual de Jornalismo/Journalism Style Guide* (2013), offers a good source to measure the company's editorial independence. It was approved by the company's Curatorial Council on 2 May 2012 and published in 2013. Divided into seven sections, it regulates aspects such as the journalist's relationship with the company, with his or her sources and with his or her colleagues; the coverage of major themes such as education, health and national politics; and possible ethical dilemmas. The style guide states that, since the EBC is a public company, the public interest must be above everything else, defending values such as transparency, objectivity and precision (2013).

The style guide also makes recommendations about how the reporter should research for his or her pieces, especially in the process of uncovering new facts. The use of hidden cameras is forbidden: unless they are recorded in public spaces, a person's images can only be recorded with his or her consent (EBC 2013). Practices such as going undercover are not well regarded by the EBC; these are only accepted in extraordinary cases. The same is said of publishing material acquired through wiretapping, which must be legal and aired only with permission of the Judiciary. In addition, the reporter must consult with his or her superiors before going undercover or publishing any stories that rely on the content of wiretapping (EBC 2013). Widely used by the Brazilian media, the three practices that the EBC's style guide tries to restrict have been questioned by experts (Fortes 2005; Karam 1997; Lopes and Proença 2003; Sequeira 2005), who are concerned about the ethical consequences of journalists resorting to methods typical of police investigations. However, these methods have been central to stories that unveiled many corruption scandals in government. Had all other news outlets adopted similar guidelines, scandals such as the Mensalão, which involved massive bribes in Congress, would have never been uncovered, as it came to light through a video recorded with a hidden camera in 2005.

All in all, the EBC's style guide seems to try to implement ethical reporting by setting ethical rules to its reporters' working procedures. ~~Whether these rules restrict editorial independence or not only a closer observation of the company's stance during political scandals in the next years will tell.~~

DISCUSSION

The question of whether the EBC is a public or state-owned company proves rather difficult to answer, given the Brazilian 1988 Constitution's own vagueness about public, private and state-owned stations. However, with a special emphasis on public service broadcasting's democratic mission and by comparing the company's own data to a set of broad analytical categories on public service broadcasting worldwide, I hope to have gotten closer to answering that question, posed in the context of the debate around democratization of communication in Brazil.

The EBC focuses on quality, pluralistic programming, relying on its affiliated stations throughout the country to improve its reach. It also attempts to include minorities, such as people with disabilities, but its focus on ethnic and sexual minorities still leaves much to be desired. The national identity seems

to be taken into account in particular shows and in the style guide for jour-
nalists. The company also defends that its news and general programming
must be based on pluralism and diversity, contemplating all of the country's
regions. Thus, regarding my first analytical category, the EBC contributes to
bringing new voices into the public sphere, one of the main characteristics of
pluralistic programming. This, in turn, strengthens democracy in the country,
by connecting the audience to perspectives in the political debate they would
not otherwise see in commercial media.

When it comes to its administrative structure and to its funding, however,
the EBC seems closer to being state owned than genuinely public and, thus,
may face difficulties in really fostering democracy. With many government
officials occupying key positions in its hierarchy, the company also relies
strongly on the government to finance its activities, which may even affect
its performance. However, especially through EBC Services, the company
appears to be trying to diversify the sources of its income and become less
dependent on the government. It remains to be seen whether this is really
the best path or would lead to more influence from the market over the EBC.

License fees, unpopular as they are in Brazil, remain the best alternative to
counterbalance external influences and assure the company's editorial inde-
pendence. The Brazilian public still needs more information on why strong
public service broadcasting could positively affect its everyday life and, thus,
be worth paying for.

The EBC should concentrate its marketing efforts in that direction, with the
ambitious goal of becoming a beloved brand. Scholars can also help by study-
ing audience's habits and preferences regarding the EBC's current shows. In
addition, the government needs better data on financial alternatives. ~~Studies
estimating how much could be collected from broadcasting fees and contrast-
ing that with the EBC's current annual budget could provide decision-makers
with valuable data.~~

The EBC's style guide, *Manual de Jornalismo/Journalism Style Guide* (2013),
sets clear recommendations to the journalistic activities of the company,
emphasizing an ethical and regional coverage. Its prohibition of methods
such as wiretapping and hidden cameras can be regarded as ethically correct,
but may cause grave omissions in the coverage of future political scandals.
It remains to be seen if the guide fits the ideals of editorial independence
described by the World Bank, the World Radio and Television Council, the
Council of Europe and the BRU.

The present article seeks to provide an overview of the EBC's current
structure, its role in the Brazilian media landscape and its struggles to fulfil
its democratic mission. This will hopefully serve as a basis for future stud-
ies focusing on specific issues. Some possible directions would be: propos-
ing funding alternatives; analysing the company's coverage of recent political
scandals, in order to assess its editorial independence; and looking into the
role of technology in the democratization of communication through public
service broadcasting, especially the EBC's use of digital television and multi-
media resources.

The EBC is still a young company – it can learn from its mistakes and
improve its reach in the next few years. However, for it to be considered a
truly public company and really help democratize the Brazilian media land-
scape, it must change its administrative structure and diversify its funding.
The independence to serve the public's interest will only come with greater
independence from the government and the market.

REFERENCES

Aalberg, T., Van Aelst, P. and Curran, J. (2010), 'Media systems and the political information environment: A cross-national comparison', *International Journal of Press/Politics*, 15:3, pp. 255–71.

Amaral, R. and Guimarães, C. (1994), 'Media monopoly in Brazil', *Journal of Communication*, 44:4, pp. 26–38.

Bianco, N. R. D. (2011), 'Digital radio in Brazil: Indecision and impasse after a ten-year discussion', *Journal of Radio & Audio Media*, 18:2, pp. 371–80.

Bolaño, C. R. S. (1999), 'A economia política da televisão brasileira'/'The political economy of Brazilian television', *Revista Latina de Comunicacion Social*, 2:17, pp. 15–32.

Bolaño, C. R. S. and Britos, V. C. (2008), 'TV pública, políticas de comunicação e democratização: movimentos conjunturais e mudança estrutural'/'Publoc TV, communication policies and democratization: conjunctural movements and structural change', *Revista de Economía Política de las Tecnologías de la Información y Comunicación*, X:3, pp. 1–14.

Brasil Ancestral/'Ancestral Brazil' (2015, Brazil: TV Brasil)

Brasil. Presidência da República (1962), 'Lei No 4.117 de 27 de agosto de 1962, Código Brasileiro de Telecomunicações'/'Law Number 4.117 of 27 August 1962, Brazilian Telecommunication Code', Brasília, http://www.planalto.gov.br/ccivil_03/leis/l4117.htm. Accessed 5 March 2015.

____ (1975), 'Lei No 6.301, de 15 de dezembro de 1975'/'Law Number 6.301, 15 December 1975', Brasília, http://www.planalto.gov.br/ccivil_03/LEIS/L6301.htm. Accessed 5 March 2015.

____ (1988), *Constituição da República Federativa do Brasil de 1988*/'Constitution of the Federative Republic of Brazil 1988', Brasília: Casa Civil, http://www.planalto.gov.br/ccivil_03/Constituicao/Constitui%C3%A7ao.htm. Accessed 5 March 2015.

____ (2008), 'Lei No 11.652 de 7 de abril de 2008'/'law Number 11.652 of 7 April 2008', Brasília, http://www.planalto.gov.br/ccivil_03/_Ato2007-2010/2008/Lei/L11652.htm. Accessed 5 March 2015.

Broadcasting Research Unit (BRU) (1985), *The Public Service Idea in British Broadcasting. Main Principles*, London: Broadcasting Research Unit.

Buckley, S., Duer, K., Mendel, T. and Siochrú, S. O. (2009), *Broadcasting, Voice, and Accountability: A Public Interest Approach to Policy, Law, and Regulation*, Washington, DC: The World Bank Group.

Council of Europe (1994), 'The media in a democratic society, draft resolutions and draft political declaration', paper presented at the *4th European Ministerial Conference on Mass Media Policy*, Prague, 7-8 December.

EBC Serviços (2012), 'Quem somos'/'About us', http://www.ebcservicos.ebc.com.br/ebc-servicos/quem-somos. Accessed 21 September 2012.

Empresa Brasil de Comunicação (EBC) (2012a), 'About us', https://www.facebook.com/EBComunicacao/info. Accessed 21 September 2012.

____ (2012b), 'Estrutura Administrativa'/'Administrative Structure', http://memoria.ebc.com.br/portal/empresa/estrutura-administrativa. Accessed 5 March 2015.

____ (2012c), 'Plano de Trabalho 2012: Proposta ao Conselho Curador'/'Strategic Planning: Proposal to the Curatorial Council', http://memoria.ebc.com.br/ckfinder/userfiles/files/Plano_de_Trabalho_EBC_2012.pdf. Accessed 22 September 2012.

____ (2012d), 'Veículos da EBC'/'EBC Media', http://www.ebc.com.br/sobre-a-ebc/veiculos-da-ebc. Accessed 5 March 2015.

1 ____ (2013), *Somente a Verdade. Manual de Jornalismo da EBC*/'Nothing but the
2   truth. The EBC style guide', Brasília: EBC, http://www.ebc.com.br/sites/
3   default/files/manual_de_jornalismo_ebc.pdf. Accessed 5 March 2015.
4 ____ (2014a), 'Acessibilidade na Copa'/Acessibility at the World Cup, http://
5   www.ebc.com.br/acessibilidade-na-copa. Accessed 24 March 2015.
6 ____ (2014b), 'Plano de Trabalho 2014'/'Strategic Planning 2014', http://
7   conselhocurador.ebc.com.br/sites/_conselhocurador/files/plano_de_
8   trabalho_2014_completo_-_com_resolucao_do_cc.pdf. Accessed 23 March
9   2015.
10 ____ (2015), 'Plano de Trabalho 2015: Conteúdo e Programação. Diretrizes
11   e Perspectivas'/'Strategic Planning 2015: Content and Programming.
12   Directions and Perspectives', https://vemdarconselho.files.word-
13   press.com/2015/02/plano-de-trabalho-ebc-2015-vol-i-16-01-2015.pdf.
14   Accessed 5 March 2015.
15 *Entre o céu e a terra*/'*Between Heaven and Earth*' (2014, Brazil: TV Brasil)
16 Feltrin, R. (2014), 'Após 7 anos e R$ 3 bi, TV Brasil marca "zero" no ibope'/'After
17   seven years and 3 billion R$, TV Brazil scores zero audience points', http://
18   f5.folha.uol.com.br/colunistas/ricardofeltrin/2014/08/1497516-apos-7-
19   anos-e-r-3-bi-tv-brasil-marca-zero-no-ibope.shtml. Accessed 23 March
20   2015.
21 Filho, A. V. C. and Cabral, E. D. T. (2009), 'State as a builder of public initiati-
22   ves in Lula's government: An analysis of public system of communication
23   in Brazil', *Revista de Economía Política de las Tecnologías de la Información y
24   Comunicación*, 11:2, pp. 1-16.
25 Fortes, L. (2005), *Jornalismo Investigativo*/'Investigaive journalism', São Paulo:
26   Contexto.
27 Hallin, D. C. and Papathanassopoulos, S. (2002), 'Political clientelism and the
28   media: Southern Europe and Latin America in comparative perspective',
29   *Media Culture Society*, 24:2, pp. 175–95.
30 Iosifidis, P. (2010), 'Pluralism and concentration of media owners-
31   hip: Measurement issues', *Javnost-The Public (European Institute for
32   Communication & Culture [EURICOM])*, 17:3, pp. 5–21.
33 *Jornal Visual*/'Visual Newscast' (1988, Brazil: TV Brasil)
34 Karam, F. J. C. (1997), *Jornalismo, ética e liberdade*/'Journalism, ethics and free-
35   dom', São Paulo: Summus.
36 Leal Filho, L. L. (1999), 'TV, um poder sem controle'/'TV, a power out of
37   control', *Comunicação & Educação*, 16, pp. 75–80.
38 ____ (2000), 'A TV Pública'/'Public TV', in E. Bucci (ed.), *A TV aos 50. Criticando
39   a TV brasileira no seu cinqüentenário*/'TV at 50. Critique of Brazilian TV at its
40   50th anniversary', São Paulo: Fundação Perseu Abramo, pp. 153–65.
41 Lopes, D. F. and Proença, J. L. (2003), *Jornalismo Investigativo*/'Investigative
42   journalism', São Paulo: Publisher Brasil.
43 Matos, C. O. (2009), 'Comparing media systems: Re-evaluating the role of
44   the public media in the digital age', *The Global Studies Journal*, 2., pp. 1-20
45 Matos, J. M. d. B. and Hazin, M. H. (2009), 'TV Pública do Brasil e a efetivi-
46   dade do Direito Fundamental à Informação'/'Public TV in Brazil and the
47   efficiency of the fundamental right to information', *Núcleo de Estudos e
48   Práticas Emancipatórias*, pp. 1–12.
49 Moreira, M. S. (2010), 'História e Especifidades do Sistema Público de
50   Televisão no Brasil'/'History and specificities of the public TV system
51   in Brazil', *Revista Científica do Departamento de Comunicação Social da
52   Universidade Federal do Maranhão*, 7, pp. 134–48.

Moreira, S. V. and Rodrigues Helal, C. L. (2009), 'Notes on media, journalism education and news organizations in Brazil', *Journalism*, 10:1, pp. 91–107.

Ortriwano, G. S. (1985), *A informação no rádio: os grupos de poder e a deter-minação dos conteúdos*/'Information on the radio: power groups and the determination of contents', São Paulo: Summus.

____ (2002), 'Radiojornalismo no Brasil: fragmentos de história'/'Radiojournalism in Brazil: fragments of history', *Revista USP*, 56, pp. 66–85.

Perosa, L. M. F. d. L. (1995), *A hora do clique: análise do programa de rádio Voz do Brasil da Velha à Nova República*/'The time of the click: an analysis of the radio show Voice of Brazil from the old to the new republic', São Paulo: Ana Blume.

Programa Especial/'Special Program' (2004, Brazil: TV Brasil)

Raboy, M. (1994), 'The role of the public in broadcasting policy-making and regulation: Lesson for Europe from Canada', *European Journal of Communication*, 9:1, pp. 5–23.

____ (1998), Public broadcasting and the global framework of media. *Gazette: International Journal for Communication Studies, 60*:2, pp. 167-180.

____ (2008), 'Dreaming in technicolor: The future of PSB in a world beyond broadcasting', *Convergence: The Journal of Research into New Media Technologies*, 14:3, pp. 361–65.

Retratos de Fé/'Portraits of Faith' (2015, Brazil: TV Brasil)

Rodgers, M. (2013), 'Brazil has highest LGBT murder rate in the world', http://dot429.com/articles/1641-brazil-retains-highest-lgbt-murder-rate-in-the-world. Accessed 25 August 2015.

Scannell, P. (2005), 'Public service broadcasting: The history of a concept', in A. Goodwin and G. Whannel (eds), *Understanding Television*, London and New York: Routledge, pp. 11–30.

Sequeira, C. M. D. (2005), *Jornalismo Investigativo: o fato por trás da notícia*/'Investigative journalism: the facts behind the news', São Paulo: Summus.

Torres, B. A. (2011), 'Community radio stations in Brazil', *Journal of Radio & Audio Media*, 18:2, pp. 347–57.

TV Brasil Internacional (2015), 'Quem somos'/'About us', http://tvbrasil.ebc.com.br/internacional/content/quem-somos. Accessed 5 March 2015.

Voz das Tribos/'Voice of the Tribes' (2015, Brazil: TV Brasil)

World Radio and Television Council (2001), *Public Broadcasting: Why? How?*, Paris: UNESCO.

Zuculoto, V. R. M. (2011), 'Historical constitution of public radio stations in Brazil', *Journal of Radio & Audio Media*, 18:2, pp. 333–46.

SUGGESTED CITATION

CONTRIBUTOR DETAILS

Débora Medeiros is a Brazilian journalist and a Ph.D. student at the Institute of Communication and Media Studies at the Free University of Berlin. She is currently doing research on media practices in the alternative coverage of protests. Previous research topics include citizen media and environmental

reporting, as well as public service broadcasting. She is also a member of Media Climate, an international research group that looks into media coverage of the annual UN climate summits.

E-mail: deb.medeiros@fu-berlin.de

JOHN CAREY
Fordham University

Audience measurement of digital TV

ABSTRACT

This article assesses the current state of digital TV audience measurement and considers the case for government regulation of TV audience measurement systems and companies. It relies on existing scholarship and the author's ethnographic research in TV households. The analysis is placed in the context of how people actually watch TV and the evolution of TV audience measurement systems. Current patterns of digital TV consumption create many challenges for accurate measurement, including device shifting, place shifting and time shifting. Social media analytics and cross platform measurement are new components in comprehensive digital TV audience measurement, but both are works in progress. Government regulation of TV audience measurement systems and companies does not appear justified. Industry self regulation, accreditation by a private ratings agency and advanced research by university and industry groups appear more suited to meeting the many challenges and opportunities in digital TV audience measurement.

KEYWORDS

audience measurement
device shifting
digital TV
engagement
Nielsen
place shifting
time shifting

INTRODUCTION

Audience measurement of digital TV and consideration of whether to regulate it should be assessed against a background of the changing ways people consume television and changes in audience measurement over time. This article draws on existing scholarship (e.g., Bogart 1972; Gunzerath 2012; Napoli 2010, 2014; Stipp 2013) and a series of ethnographic studies about television viewing and audience measurement undertaken by the author over a 30-year period in more than 1500 homes, offices and public locations, primarily in the United States (Carey and Elton 2011).

TODAY'S TELEVISION CONSUMPTION ENVIRONMENT

An assessment of audience measurement for digital TV should reflect an understanding of how people watch television today? A principle character- istic of TV consumption is the diversity of devices, ways of viewing, time of consumption and locations for watching. Traditional viewing of live TV, in the home, on a TV set has been affected by device shifting, time shifting and place shifting. Many of the new devices for watching TV were only introduced a few years ago (e.g., the iPad was introduced in 2010). Devices for viewing range from two-inch screens on mobile phones to 70+ inch screens. This has had a significant impact on the viewing experience.

Overall, there are many more large TV sets (40 inches or larger) in use compared to ten years ago due to lower costs and flat screens. Even small apartments can accommodate a large flat screen, putting it on the wall, whereas boxy rear projection HDTVs common in the early 2000s would take up half the room in a small apartment. There are also many more small screens in use than a decade ago. Early generation mobile phones had poor resolution and video ate up both the battery and the data plan. Recent smart- phones have much better resolution than the first generation of smartphones. Further, batteries are more powerful, consumers are used to recharging them constantly (many have chargers for the home, car and work) and they have much more access to WiFi which does not eat up a person's data plan.

Device shifting has taken two other forms. First, many people now watch TV programmes on laptops and tablets. Laptops have for some time been replacing desktops as a preferable computer for video viewing and basic computer tasks. More recently, tablets have replaced many laptops for web access and video viewing. Tablets are a lighter and cheaper alterna- tive. Further, for many people who do not write reports or do spreadsheets, a tablet is sufficient for their needs. Second, device shifting has taken the form of hardware such as Apple TV, Chromecast or Roku, game consoles and laptops that stream video content (such as Netflix or Hulu) to the TV (sometimes called OTT for Over The Top). These supplement or replace cable, telco or satellite boxes. Overall, cord cutting (dropping a cable, telco or satellite video service) has been low but it is higher among 20-some- things. One reason for this is the willingness of 20-somethings who want to watch a live event available only on cable to go to a bar, restaurant and other public locations to watch it or call up a friend who has cable and ask to go over and watch the event on the friend's TV. It is not clear if they will continue to do this as they age.

Time shifting has been around since the VCR was introduced but the VCR required physical hardware to record on (videocassettes) and it was difficult to programme multiple events (Dobrow 1990). The DVR made the process much easier, so much so that many people watch most of their TV programmes time shifted. Websites and streaming services such as Hulu and Netflix also provide content that is not locked into a rigid time schedule. OnDemand has been around for a long time but it languished due to a lack of content, poor response times and, in many cases, cost (you have to pay for some content). However, recently OnDemand has experienced a surge in usage, at least in some systems (consumers rate the service very highly on some systems and very poorly on others). Over time, OnDemand may reduce the use of DVRs which would be beneficial to advertisers since it is possible to prevent fast forwarding through commercials that are placed in OnDemand programmes.

Time shifting has also led to more marathon viewing, that is, when a person watches a few or several episodes of a series at one time (often on a weekend).

Place shifting results from the ease of carrying portable devices such as smartphones and tablets just about anywhere. It is also the case that there are fixed TV sets in many more locations than twenty or 30 years ago. TVs in bars and airports have been supplemented by TVs in restaurants, offices, car repair shops and many other locations. There are some age differences in the places where people consume out-of-home TV. Younger people are more likely to consume out-of-home TV content in a bar, gym, pool or park. Older people are more likely to consume it in a restaurant, airport, doctor's waiting room or social club. Place shifting also occurs within homes. Whereas a TV set was in a fixed location within a living room, bedroom or kitchen in the past, it can now be virtually anywhere in the house through the use of a mobile device. The potential opportunity for advertisers with place shifting is to provide location-based commercials, for example a commercial for beer in a bar or a commercial for travel destinations at an airport (sometimes called dynamic ad insertion).

The social context for TV viewing today has some similarities to the social context in the past and a number of differences. Many of these details about how people consume digital television have implications for audience measurement. The room setting for watching television and the time of day can affect how people watch television. In kitchens, for example, which are more likely to be the setting for watching TV in the morning and late afternoon/early evening, the TV is typically not the focus of the room – it is in a nook or at the end of a counter. Further, people in the room may be standing up and doing something else such as cooking. They are as likely to be listening to TV as watching it. In bedrooms, where adults often watch from bed and small children from the floor, the angle of viewing can be very sharp and quite different from sitting in an easy chair watching a living room TV (which is, typically, the focus of the room). TVs are used to watch programmes but they are also used in many homes to create an environment. In the latter case, people may not be in the same room as the TV and the sound is key in creating an environment.

In the past, people in a household who wanted to watch something different from the programme on the main TV set would go to another room and watch a different programme on another TV. Today, it is not uncommon for people to sit in the same room and watch different programmes on different devices (I have seen up to five people in the same room, each watching something different). Tablets, smartphones, laptops and, most importantly, earbuds (which isolate the sound for one person) make this possible (Phalen and Ducey 2012).

Given a choice, more people are likely to watch a programme on a large TV. However, this can be trumped by a number of factors: someone else is using the large TV; another device is more convenient; or the programme you want to watch is only available on another device. As in the past, there is much multitasking in today's digital TV environment but the combinations are more complex and are more likely than in the past to involve using another electronic device while watching TV. Further, it is more likely than in the past that if a person is watching a TV programme on TV and using an electronic device such as a smartphone or tablet that the activity on the electronic device will be related to television. A person may use the electronic device for something unrelated to TV (e.g., check e-mails, pay bills, shop or read the news). This

was the predominant use a few years ago and is still common. However, the person may also be watching an extra segment of the TV show, voting about people in the show, tweeting to the show, texting about the show to a friend, visiting a fan site or social media site with content about the show, watching another TV programme, or watching the same programme as the one on the TV set but with a different perspective (this sometimes happens with sports). There are many other forms of interaction like this.

Social media figure prominently in today's TV viewing environment (Yang and Coffey 2014). On the one hand, social media build on earlier roots of the TV influential, water cooler conversations about programmes (Bogart 1972) and gossip in magazines about stars and shows. However, modern social media take these to an entirely new level. The TV influential can now reach far more people through Facebook, Twitter, TV channel sites, blogs and texting. Reactions to shows and gossip about celebrities can also be amplified and repeated through viral networks on the web. Media court such comments, which they hope will be positive about them (and go viral), and celebrities can develop relations with fans that are perceived as personal. Entertainment sites such as BuzzFeed are also an important part of the process of ampli-fying and spreading news about programmes and good old fashion gossip. Here too certain shows lend themselves to the formats of a new generation of online entertainment sites, for example BuzzFeed frequently uses a format '25 Reasons Why…' and so it ran a story '25 Reasons Why You Need to be Watching *Orange is the New Black* Right Now'. New and edgy programmes lend themselves to this format (Napoli 2013). One difference between social media websites related to TV and earlier entertainment magazines is that there are so many more websites and they, in turn, repeat stories from other sites – a network effect in which content can spread rapidly and widely.

With all of these changes to the television-viewing environment, as significant as they are, it is important to remember that the dominant way television programmes are consumed is still a person watching a TV set.

AUDIENCE MEASUREMENT OF TV: A BRIEF HISTORY AND CURRENT TRENDS

Media audience measurement is about 90 years old; TV measurement about 70 years. Early TV audience measurement tools included surveys and diaries. A problem with both is that they are 'post-exposure' measurements (Napoli 2010). People have to remember what they were watching. Surveys have further limitations in that the sample may be weak, response rates low and, if too long, lose the attention of the respondent (Stipp 2013). Diaries (which are still in use) have an advantage of being relatively inexpensive but they may be filled out days after a person watched the programmes, when recall may be poor. In practice, diaries seem to have provided an advantage to large networks – if unsure what you watched, fill in what is well known. Fatigue may also set in after weeks of filling out a diary.

There have been many improvements in audience measurement over the years, notably the People Meter, introduced by Nielsen in 1987 and the Local People Meter introduced in 2003. Though diaries are still used by Nielsen in some smaller markets, the People Meter automated the process of measur-ing what channel a set is tuned to and provided real time indicators of who is watching (panel participants use a special remote to signal who is watch-ing). Over time, the People Meter also measured DVD and DVR use and

some limited out-of-home TV viewing such as in college dorms. Currently, approximately 50,000 homes are included in the US People Meter panel (Baumgartner 2015).

The field of audience measurement has become quite crowded. In addition to Nielsen, comScore/Rentrak, Symphony and Tivo measure TV audiences, as do some cable companies which sell set-top box data; Nielsen Netratings and comScore/Rentrak, among others, measure web usage, including digital video. Collectively, they provide the data that determine ratings and pricing for over $100 billion in yearly digital video advertising (in the United States) across all distribution channels. In addition to many sellers of data, there are diverse groups who purchase ratings data – networks, content distributors, advertising agencies and programme producers, among others. In this highly competitive and complex environment, it is not necessarily the best system or most accurate data that win out. Sometimes, one set of data will be used because it is cheaper. Also, an existing measurement system may benefit one group of players who may then resist change to an improved system where the benefit would be reduced or eliminated (Napoli 2010). While Nielsen has competition, it is still the 600 (formerly 800) pound gorilla in the audience measurement marketplace. The company is very active in extending its reach and acquiring companies that will strengthen its cross-media measurement. Nielsen acquired NetRatings (for web usage data) in 2007, Social Guide (for social media analytics data) in 2012 and Arbitron (for its Portable People Meter technology, among other reasons) in 2013. It has also developed a relationship with Twitter to gather social media analytics. However, all the pieces to have reliable, transparent and valid cross media measurement are not yet fully in place.

At the heart of the audience measurement business is what buyers of those data are willing to pay for (Webster et al. 2014). Currently, they pay (primarily) to know how many people watched a show or commercial, for how long, and the demographics of those people. The number of potential variables that might affect the quality of the experience and (potentially) the benefit to the advertiser is quite large. Would advertisers pay to know the screen size that a viewer is watching? Advertisers pay a premium for commercials in movie theatres where they are displayed on large screens. What about the angle of the screen or even knowing if a person is watching the screen? All of these might affect the quality of the experience and the impact of a commercial. If people are watching in a group, it might be positive or negative (perhaps positive if they are talking about the show or commercial favourably but negative if they are talking about something else and therefore distracted)? If they are interacting with content about the show or commercial on a second screen, presumably that is positive but if they are interacting with unrelated content perhaps that is negative. And then there are pets. In the United States, approximately half of households have a pet and frequently the pet is with the person who is watching TV (Carey and Elton 2011). It may seem a variable from left field but in the author's research, people who watch television with a pet near them are generally in a better mood and have more positive feelings about content than those who do not have a pet near them. But, who would pay for this knowledge?

Many of these variables are treated in the industry under the broad concept of engagement. There is a great deal of interest in and research about engagement. At first glance, it would seem that a person sitting in the living room, relaxed, feet up, popcorn and a soft drink at the ready (and, of course,

1. Digital radio is progressing more slowly in the country than digital TV, which was introduced in 2007:

   The path toward a process of digitalization in radio broadcasting is at a moment of impasse and indecision. For the past ten years, government, radio broadcasting stations, and sectors of civil society have been discussing which technology of digital transmission (IBOC, DRM, or DAB) is to be adopted in the country, without coming to a consensus. (Bianco 2011: 371)

a pet nearby) watching a large screen HDTV would be more open to advertising messages than someone in a kitchen, cooking and tending to screaming kids – with a small-screen TV in the corner. Further, there are indicators that engagement is correlated with other important measures for advertisers such as commercial recall or purchase intent (Kilger and Romer 2007). However, there is a problem in defining (and measuring) engagement. The Advertising Research Foundation has looked at the research about engagement and found more than two dozen definitions (Napoli 2010). The industry seems to be far from agreeing on a simple definition of engagement and how to measure it. This raises a basic validity question: when we use various stand-in measures for engagement, are we really measuring engagement (Drost 2005)?

In all of this research, there is an assumption that engagement is positive from an advertiser's point of view. But is it always positive? Are people who are fully engaged with content not more able to assess and reject it than people who are only paying half attention? The well-known advertising producer, Tony Schwartz, had another reason for not wanting a fully engaged audience. He argued that for products where there is little difference across brands in terms of quality or price, his goal was to develop familiarity with the product so when you came across the product in a store along with its competitors, and had no reason to choose one over the other, you would pick the product that was more familiar. In commercials for such products he frequently showed a still picture of it for 30 seconds with positive emotional audio comments over it. He didn't want the audience to think about the product, just see it and associate it with positive emotions (Schwartz 1973). Under this scenario, a half-engaged viewer is better than a fully engaged viewer.

Other trends and goals in audience measurement are clearer. There is a recognition that television measurement must more closely emulate measurement of web video usage, for example measuring the buying habits of a viewer so advertisers can send more targeted commercials (Lohr 2015). Related to this, the industry must develop cross media measurement – knowing what a person is reading, watching or listening to across all media. This is the Holy Grail of media measurement. It is discussed a great deal and some claim to have achieved it but this goal is still a work in progress. Currently, it involves the aggregation and filtering of data from different sources rather than the measurement of all media use by a representative sample of individuals in a single panel.

In addition, audience measurement must be passive. The panel members should not have to do anything except consume media as they normally would. This is the case generally with online media consumption. In order to achieve this with television measurement, a few groups (e.g., Symphony Advanced Media) have developed or are developing audio systems that can automatically identify what content a person is watching or listening to. This could be in a device that is worn, as in the case of the Portable People Meter, or an app that is loaded onto a smartphone or other device that a person carries around at all times. Some audio systems may even be able to listen to conversations in the room and determine if they are positive or negative about the content that is being consumed. Verizon has filed for a patent on a technology that can be embedded in a DVR and watch as well as listen to what is happening in a room (Bindley. 2012). Its first intended use is to deliver targeted ads but its wider applications are clear. If developed, this will almost certainly raise significant privacy issues.

PUTTING THE CART BEFORE THE HORSE

The quest for the Holy Grail of cross media measurement is understandable and desirable, but the industry needs to remind itself that the current system has flaws and weaknesses. Until a reliable new system is in place, the industry should continue to try to improve what we have. The first limitation is that the People Meter does not cover many small markets. Often, in small markets, the ratings for a programme with a modest number of viewers is below the margin of error for the rating (Napoli 2010). Second, there are many unusual viewing situations that are not adequately reflected in TV audience ratings' data. Some people keep the TV on during the daytime to provide (in their minds) company for a pet; many keep the TV on when they are not home to ward off burglars; and some older people keep the TV on all night as a form of 'white noise' to help them sleep. In the latter instance, people may wake up in the middle of the night and watch fifteen minutes of programming then drift back to sleep with the TV still on. Nielsen has editing rules to deal with situations where they do not know what is happening, including when there is no information about who if anyone is watching. Some of these editing rules are known but others are not. The system would be more transparent if outside analysts and advertisers knew all the editing rules.

Another weakness in the data is not knowing when a person is listening but not watching TV or watching but not listening. This happens quite often. For example, in kitchens it is common for some people to listen to the TV but not watch; in offices, the TV in a lobby area is often on mute, so people can see but not hear the TV (the same is true in some sports bars, where there may be 25 TVs and all or all but one are on mute). A related issue is people who listen to or listen and watch TV from another room (e.g., a kitchen with a cutout that lets a person watch a living room TV). Do people with the People Meter remote know if these other people are watching and, if so, do they key them in? It is also the case that some people are in the room with the TV on and pay no attention to the TV – they are preoccupied with other activities. In other cases, where people are multitasking with TV, it would be useful to know if the TV is the foreground or background activity. Collectively, these behaviours raise questions about the accuracy of the ratings and whether the ratings provide a complete understanding about how television is being experienced.

There are also limitations in the collection of data when the measurement system relies on people for input. Generally, females are more reliable at keying in who is present in the room, but males are more likely to control the remote control. Another group that is less cooperative is teenagers. Some young children like to press buttons on remotes for the sake of pressing buttons – it is fun. Remotes themselves can be misplaced or lost in a sea of remotes on a couch or table (it has been common in the author's experience to see four or five remotes clustered together in one spot. Some people in the household know what each remote does; others have much less understanding.

There are also some questions about the quality of audience measurement panels. The first and obvious one is whether they represent the general public? Demographically, they do represent the general public. But demographic characteristics are not the only issue. It seems reasonable to assume that people who are very concerned about privacy are less likely to join a panel. A follow-up question is whether such a group is systematically different in some aspects of TV viewing than those with fewer privacy concerns? What about

people with very busy lives, technophobes, those who stream pirate video to the TV or illegal immigrants? Are they less likely to join a panel?

There are no easy answers to these problems and limitations, nor is this intended as criticism of Nielsen and others. They appear to be doing a reasonably good job in a difficult climate but current audience measurement systems need constant tweaks and they are far from perfect.

SOME CHALLENGES FOR NEW AUDIENCE MEASUREMENT SYSTEMS

It is widely believed that audience measurement and ratings analysis are all about the algorithms that parse big data sets and there is some truth to this. However, there is an older expression – garbage in, garbage out, that should stand as a caution about the quality of the data the industry collects and the need to pay strong attention to the recruiting of panel members, the accuracy of data collection devices and an understanding of the contexts where data are to be collected.

As panel sizes grow, recruiting will be even more of a challenge. The problem is not so much demographic representation (though that is a requirement) but recruiting from all the groups mentioned earlier – those with strong privacy concerns, very busy people, users of pirated video or pornography, etc. – who may be systematically different in their TV and online video usage than others. Recruiting will be further challenged by the environment of telemarketing pitches and outright scams over the phone and online. This has hurt response rates to surveys and it is an obstacle to recruiting panels.

Some of the key proposed systems for cross media measurement will utilize audio to identify what a person is watching. This may be audio that is encoded in content with a special identifying marker or software that can identify content by analysing the audio. If the system is to be accurate, it must be able to pick up sound through a portable device the person carries or wears. This could be a Portable People Meter or an app that is installed on a smartphone. There are a number of challenges such as when a person is using earbuds or if the device carrying the content is on mute – both are very common. There are many other challenges to an audio detection system. There may be multiple audio signals playing in a home – two TVs, a radio and TV, a computer and TV, etc. How does the system know which source a person is attending and, if the person is attending multiple sources at once, how much weight is given to each? Outside the home, for example in a bar, a device may pick up audio from a TV but it is incidental to the person being in the bar – he or she is talking to friends and not paying any attention to the TV. If the device relies on an audio identifying code embedded in the content, what about content that does not have such encoding, for example some content distributors strip content of such coding. There are also situations that are very noisy and the device must filter out the noise in order to capture the sound associated with video content. It is assumed that a person will wear or carry the portable audio detector but what if they don't? If they place it down near where they are sitting, it will probably function correctly but at night, might a person leave the device in the living room then go into the bedroom to watch TV? All of these situations will be a challenge to audio detection systems.

Privacy is an issue in recruiting a cross media panel (is it ok if they monitor all of a person's media usage; what if the computer is used for both home and work activities – must a person get an ok from her company?) but it may also

become a public issue in the context of general privacy concerns such as the NRS monitoring phone calls. Other proposed systems such as implanting a chip in a person's ear were dead on arrival due to a fear that the general public and politicians would see it as a Big Brother invasion of personal privacy.

The online environment has generally been more benign for TV audience measurement – one person who is readily identifiable views easily identifiable content. However, new online environments are becoming more challenging. For example, some people watch online content, especially video, as a group (a couple in bed; children on the floor). In addition, many have developed strategies for avoiding commercials in video content, for example, by walking away to go to the bathroom or get a coffee, opening a second window until the commercials play through, or clicking on each commercial in a programme and then watching through without commercials. All of these behaviours need to be measured.

SOCIAL TV ANALYTICS

Social media analytics of TV consists of quantified measures of comments about shows, networks and stars as well as an assessment of how many comments are positive or negative. These are increasingly becoming part of the broad system of measuring TV audiences. Social comments about television have always existed in the forms of letters to programmers or entertainment magazines and comments among friends but little of this was measured. As social media grew in volume and many companies began to pay attention to what people were saying, a number of groups emerged to quantify those comments and interpret their significance.

What do we know about social media analytics? We know that many of the organizations providing analysis, but not all, rely heavily on Twitter as the source of comments. Some include comments in blogs; others do not. Many of the specific methods they use are not published since they are considered proprietary. This may be less of an issue in measuring volume but the interpretation of comments as positive or negative is subject to the vagaries of linguistic patterns (a seemingly negative comment can be positive and vice versa, something humans can readily distinguish but not necessarily software code).

There is no dispute that some programmes generate a large volume of comments about them but we know little about how representative of the general audience those commenters are. It is clear that some people post many comments so the actual number of people commenting is less than the volume of comments (Wurtzel 2012). There are undoubtedly many lurkers who read but do not comment; their views are not known. There is also a dark side to social media comments - a tendency for those with negative views to air them vociferously (Streitfeld 2013). There is even a question as to whether all the commenters have watched a show. We know that in other areas of online comments, fake reviews are common (Streitfeld 2012).

Napoli (2013) in a comparative analysis of three social TV analytics companies, found large differences across the companies in the rankings of shows by volume of comments and a weak correlation with Nielsen ratings. It is not surprising that some shows with a lower Nielsen rating would generate more comments than shows with higher ratings – they may simply lend themselves to chatting about them and have an audience that likes to comment. However, this suggests that social TV analytics is not an alternative ratings system. It can supplement and provide a richer understanding of ratings but

not replace them. It is also questionable whether social TV analytics could be integrated with ratings data and provide a 'super rating'.

There are other reasons for caution. For programmes with lower ratings and a low volume of comments in social media, it would not be difficult to 'game the system' and provide more positive reviews than would otherwise be the case, as we see on websites like Trip Advisor. This also raises a question whether there should be a (large) panel of commenters who are representative of the general audience.

SHOULD GOVERNMENT REGULATE AUDIENCE MEASUREMENT?

In the United States, the federal government provides some regulation of content on television (what types of content can be offered at what time and where) but it is limited and enforcement has been lax in recent years. The federal government also has some rules on ownership of content distribution systems. At a local level, some municipalities can exercise limited regulation of content through franchise agreements. However, collectively it is 'regulation lite'.

Regulation of digital TV audience measurement in the United States has been left in the hands of industry groups, as it has in many other countries. The principal industry group overseeing TV audience measurement in the United States is the Media Rating Council, which is funded by industry and dates back to the 1960s. It audits existing TV audience measurement companies and accredits new ones. It is an industry watchdog that determines and oversees minimum disclosure and ethical criteria for TV audience measurement services. It also has a liaison with the Advertising Research Foundation (which supports research about audience measurement) to promote good practices.

In 2005, there was an attempt in Congress to regulate TV audience measurement through the Fairness, Accuracy, Inclusivity and Responsiveness (FAIR) Ratings Act. It had the support of the National Association of Broadcasters, News Corp, Tribune and other groups that were dissatisfied with the Nielsen system. However, the law was not passed. More companies feared that a government imposed system would be worse than any problems with the existing system.

This was not the end of the dispute over regulation of audience ratings. Many groups joined the fray: the Federal Communication Commission, the Federal Trade Commission, Congressional Committees, state attorney general offices, public interest groups, academics, broadcast and cable companies, and ratings organizations. The disputes took the form of proposed legislation, lawsuits and claims that ratings should be regulated under existing statutes and rules.

There have been four principal arguments. These relate to the monopoly status of ratings companies, the accuracy of the ratings and which groups might be harmed by inaccuracy, whether ratings are a form of protected speech, and the impact ratings may have on diversity of content. The argument that Nielsen is a de facto monopoly is based on its large share of the market. The government has broken up or regulated de facto monopolies in the past, e.g., the Bell system monopoly of telephone service in the twentieth century, arguing that monopolies stifle competition, control pricing and hamper innovation. On the other side, it is argued that there is considerable competition in television audience ratings and Nielsen, while very large, does

not control the market. Further, price competition exists and there has been considerable innovation in audience ratings technologies over the past few years.

The accuracy argument has been raised from time to time by clients of the ratings companies but most of these have been attempts to incentivize Nielsen and others to do a better job. The regulation argument as it relates to accuracy was raised by some organizations representing minority groups and minority content providers. This rose to prominence when Nielsen began to install Local People Meters in some small markets and ratings for minority content went down. It was argued that minorities were not represented proportionally to their actual numbers in those markets. However, the data on the demographics of the panels showed that they were accurately represented. Napoli (2014) and others have argued that with small panels, a slight shift in behaviour can move ratings significantly and that it is just as likely that the old diary system was inflating ratings for minority content as that the Local People Meter is deflating them.

Most people would not think of ratings as 'speech' but this has been a bone of contention in regulatory arguments. Those in favour of regulation have argued that ratings are presented as statistical facts and as such can be regulated the way a company's communication about its revenue to stockholders is regulated or claims about fat content on the label of a food product are regulated (Napoli 2014). Ratings companies have argued that ratings are more akin to the results of a survey, where everyone knows there is some degree of error and, further, that disseminating the results is a form of speech, protected under the first amendment.

The diversity of content argument is related to the accuracy argument. If the ratings for minority channels go down it could lead to less diversity of content, which is a hallmark of American broadcast policy. The argument on the other side is that with larger and larger cable systems, minority content (e.g., channels in Spanish, Korean, Portuguese, etc.) has proliferated. Further, minority content on the web is vast and readily available.

CONCLUSION

The long and the short of the audience measurement regulatory debate about digital television is that nothing has happened. There have been a few lawsuits settled out of court where, presumably, some claimants have received some concessions but little is known about the outcome of these lawsuits. No regulations have been passed and no claims to regulate audience measurement of digital TV under existing statutes have succeeded.

Given the complexity and rapid change in TV audience measurement technologies and services, it can be argued that government regulations are likely to be outdated soon after they are crafted in legislation. Further, political and special interest financial considerations are likely to be part of a set of government regulations. Government regulation of audience measurement for *digital* television also runs against the spirit of 'Net Neutrality'.

Keeping government regulators at arm's length from digital TV audience measurement does not imply that there are no concerns or problems with the current system. The industry needs better self regulation and solutions to many challenges. For example, the software algorithms in many TV audience measurement systems are considered proprietary. However, can companies keep such secrets and meet the goal of full transparency? So-called filters or editing

rules mean that the data are being manipulated to (in theory) better represent behaviours of people who are not being measured or fill-in data components that were not measured. However, is this process leading to greater accuracy or introducing errors? Can the industry agree on what engagement means and measure it? What is the impact of ad blocking software on digital devices for TV audience measurement of commercials? What aspects of the new digital TV viewing environment (e.g., earbuds) might confound new audience measurement technology? These are significant challenges.

On the other side of the coin, there are many opportunities for innovation. For example, it is surprising that with so many concerns about the impact of new technology and new media behaviour, along with better measurement of that behaviour, advertisers have not done more to adapt to it. The industry has accurate readings of how people fast forward through commercials on DVRs but how many commercials are designed to work in a fast forward mode, for example by keeping a logo on the screen so viewers will know the name of the product and can stop if they are interested in that product? Similarly, how often do advertisers take advantage of the much larger screens in most households by putting advertising and content on the same screen (this is pervasive in Spanish language coverage of sports and most online content)? Some cable systems and OTT streaming services to TV sets can deliver different commercials to different households watching the same content, as is common with web video delivered to computers, smartphones and tablets. However, the practice overall is limited. Why would an advertiser want to deliver different commercials to different people watching the same content? Some obvious reasons would be the demographics of the viewer, knowledge that the viewer has done a search for a specific product on a search engine or knowledge about which commercials a person has viewed recently. In the future, might an advertiser deliver different versions of a commercial based on knowledge of the screen size of the device where it is viewed, whether the device is on mute, if the person can only hear the commercial, or if the person is simultaneously viewing a second screen – all of which can be measured accurately? There is much room for innovation.

Caution is in order when moving from the current system that sets the price for more than $100 billion in digital video advertising (in the United States alone) to a new one. Evolution is the better path and that seems to be what is happening without government regulation but with industry oversight. Along the way, there will be a need for much more research to monitor progress and provide guidance on how to tweak the system.

REFERENCES

Bindley, Katherine. (2012), 'Verizon files patent for DVR that watches viewers', *Huffington Post,* 5 December, http://www.huffingtonpost.com/2012/12/05/verizon-dvr-patent-spies-tv-advertising_n_2246973.html. Accessed 20 November, 2015.

Baumgartner, Jeff (2015), 'Nielsen moves ahead on TV ratings upgrades', Multimedia News, 19 February, http://www.multichannel.com/news/technology/nielsen-moves-ahead-local-tv-improvements/388150. Accessed 20 November, 2015.

Bogart, Leo (1972), *The Age of Television: A Study of the Viewing Habits and the Impact of Television on American Life*, 3rd ed., New York: F. Ungar Publishers.

Carey, John and Elton, Martin (2011), *When Media Are New: Understanding the Dynamics of Media Adoption and Use*, Ann Arbor, MI: University of Michigan Press.

Dobrow, Julia (ed.) (1990), *Social and Cultural Aspects of VCR Use*, Hillsdale, NJ: Lawrence Erlbaum Associates.

Drost, E. (2005), 'Validity and reliability in social science research', *Education Research and Perspectives*, 31:1, pp. 105–23.

Gunzerath, D. (2012), 'Current trends in U.S. media measurement methods', *The International Journal on Media Management*, 14:2, pp. 99–106.

Kilger, M. and Romer, E. (2007), 'Do measures of media engagement correlate with product purchase likelihood?', *Journal of Advertising Research*, 47:3, pp. 313–25.

Lohr, Steve (2015), 'With the TV business in upheaval, targeted ads offer hope', *The New York Times, 5 October, p. F6*

Napoli, Philip (2010), *Audience Evolution: New Technologies and the Transformation of Media Audiences*, New York: Columbia University Press.

____ (2013), 'Social TV engagement metrics: An exploratory comparative analysis of competing (aspiring) market information regimes', paper presented at AEJMC, Washington, D.C. 10 August.

____ (2014), 'The local People Meter, the portable People Meter, and the unsettled law and policy of audience measurement in the U.S.', in J. Bourdon and C. Meadel (eds), *Television Audiences Across the World: Deconstructing the Ratings Machine*, New York: Palgrave Macmillan, pp. 216-233.

Phalen, P. and Ducey, R. (2012), 'Audience behavior in the multi-screen video-verse', *The International Journal on Media Management*, 14:2, pp. 141–56.

Schwartz, Tony (1973), *The Responsive Chord*, New York: Doubleday.

Stipp, Horst (2013), *Measuring Media Usage Behavior*, New York: Advertising Research Foundation.

Streitfeld, David (2012), 'Buy reviews on Yelp, get black marks', *The New York Times*, 18 October, p.B1.

____ (2013), 'Why reviews on the web say bad things', *The New York Times*, 15 July, p. B1.

Yang, Yan and Coffey, Amy Jo (2014), 'Audience valuation in the new media era: Interactivity, online engagement and electronic word-of-mouth', *International Journal of Media Management*, 16:2, pp. 55-75.

Webster, James, Phalen, Patricia and Lichty, Lawrence (2014), *Ratings Analysis: Audience Measurement and Analytics*, 4th ed., New York: Routledge.

Wurtzel, Alan (2012), 'NBC's billion dollar lab', presentation at CTAM, New York, 15 October.

SUGGESTED CITATION

CONRIBUTOR DETAILS

John Carey is a Professor of Communication and Media Management at Fordham University, Director of Fordham's Center for Communication and Director of Fordham's M.S. in Media Management. He has more than 25 years of experience in conducting research about new media and consumer

behaviour. Recently, he has conducted studies of media consumption of the Olympics, consumer use of mobile video technologies, audience measurement, social media, and the media habits of baby boomers. His clients have included ATT, Google, American Express, Corporation for Public Broadcasting, Comcast/NBC/Universal, Cablevision, *The New York Times*, XM Satellite Radio, among others. John holds a Ph.D. from the Annenberg School For Communication at the University of Pennsylvania and has more than 100 publications about new technology adoption and consumer use of media.

JohnCarey@Fordham.edu

John Carey has asserted his right under the Copyright, Designs and Patents Act, 1988, to be identified as the author of this work in the format that was submitted to Intellect Ltd.

REVIEWS

POST-TV: PIRACY, CORD-CUTTING AND THE FUTURE OF TELEVISION, BY MICHAEL STRANGELOVE (2015)

Reviewed by Maria Michalis, University of Westminster, United Kingdom

Michael Strangelove's latest book builds on his previous work, in particular *The Empire of Mind: Digital Piracy and the Anti-Capitalist Movement* (2005), in which he explored the subversive potential of cultural production in the Internet age, such as digital piracy, culture jamming and grass-roots online journalism, to challenge through the creation of new meanings the dominant symbolic economy and belief system of capitalism, and *Watching YouTube: Extraordinary Videos by Ordinary People* (2010), which focused on everyday amateur videography and sharing practices. The main topics of both these books (digital piracy and the emerging and rising role of the audience as mass participants in video-making) feature in *Post-TV* as forces that shape the post-TV environment.

The key question that the book addresses is, 'can there be anything more to television than what is offered to us by the current variations of commercial and state-run media?' (242). Strangelove does not argue that the death of television is imminent but, as he explains, '[t]he "post" in "post-TV" […refers] to the end of a particular way in which broadcast television structured viewing and the beginning of new ways of participating in television' (6). Drawing on television and new media studies, political economy and cultural studies, Strangelove's aim is to explore the Internet-induced rapid transformation of television, the latest 'in a long series of changes to technology, industry, audiences, content, and culture' (147). He explains, 'Who creates [television], how it is distributed, how we watch it, why we watch it, and how we pay for it – all this and more is undergoing change'(8). And adds that '[t]he primary movers of this [change] are not television and film industries but the consumer electronics industry, the Internet, and the online audience' (9–10).

The book is organized in eight main chapters. The first three deal with piracy: music, movie and finally sports television piracy ('guerrilla rebroadcasting'). The chapters have robust data and discuss the sociology of piracy. Strangelove argues that the music, film and television industries have all wrongly identified illegal downloading as their main problem. In trying to hold onto 'a twentieth-century mentality of control' (47), Strangelove rightly points out that these industries have managed to capture governments into adopting ever more restrictive copyright rules at the expense of consumer rights, fair dealing and fair use. And yet these efforts have proved futile. Piracy remains widespread and can be controlled by neither technology (e.g., geographical restrictions managing access to content on the basis of territorial distribution licences, notably geo-blocking) nor regulation (e.g., copyright law). Moreover, the roots of piracy are complex and cannot be reduced to mere economics and market failure – that is, the failure of the incumbent television industry to meet the demands of audiences for convenient and easy access to content everywhere – but for instance the roots include political and ideological motives from autonomy, networked participation and alternative public spheres to challenging the capitalist structures of our economies and societies.

Chapter 4 moves on to discuss 'cord cutters' and 'cord nevers', what Strangelove calls 'the television's scariest generation'. The first category refers to those who cancel a subscription cable or satellite television service in favour of less expensive or free Internet-based access to content, while the second category refers to people who have never subscribed to a traditional pay-TV service and probably never will prefer consuming content on the Internet.

Piracy and cord-cutting, found in the subtitle of the book, are central to Strangelove's argument. The reason he covers them is to underline how in the post-TV era the audience '[leaves] the confines of the traditional marketplace' (121) and 'the relatively passive activity of watching television' (121) associated with the twentieth-century television experience, to take advance of the expanded choice and the increased capabilities of production and rebroadcasting that the Internet offers and therefore 'content produced by the television industry no longer dominates our visual culture' (121). In doing so, the Internet is the latest innovation, following VCRs, DVDs and DVRs, offering fundamentally 'more control, access to more content and more types of entrainment, lower prices, and the ability to act as a creator, producer, and distributor of content' (123) and thus has the power to transform the entire television industry. For Strangelove, power is shifting in favour of the audience. The overall effect of these developments is disruption, which is the focus of Chapter 5, in particular 'the disruption of television's core business model – the control of content, time, and space' (143).

Chapter 6 covers the main players in legitimate online television services such as Netflix, Amazon, Hulu, iTunes and YouTube and the competitive pressures they place upon the incumbent television industry and the threat they present to disintermediate it and push it to follow the example of the music industry, which lost control over its content and audiences in the online environment. This links well to the next chapter (Chapter 7) on the political economy of television. Here Strangelove examines the power structures in the traditional television industry and the dominance of the US television industry within them. The issue in the post-TV era is whether, and if yes the extent to which, the incumbent television industry will manage to extend its control mechanisms (artificial content scarcity, territorialization, control over distribution and near-monopoly control over production) 'into a virtual domain that does not readily comply with established rules for the regulation of time,

place, and property rights' (187) and in so doing 'maintain their oligopoly in the face of multiple disintermediating forces' (188).

In Chapter 8, Strangelove discusses the subversive potential of the post-TV era characterized by the 'rise of uncontrolled video production and the migration of audiences to online viewing contexts' (207) to challenge the dominant constructions of values and identities of the incumbent oligopolistic commercial and state television orders, which are focal to capitalism's control of economic and cultural power.

In the Conclusion, Strangelove continues with the theme of the empowering, subversive, participatory and democratizing potential of the post-television era. While he recognizes the complexity and uncertainties that surround this debate, as well as the fundamental contradictions of the online context (for instance, online television has the potential to challenge the economic and cultural power of the commercial media oligopolies but it can and does at the same time allow for surveillance and erosions of privacy and thus strengthens commercialization and the capitalist structures it aims to subvert) and the very real potential that it might end up being swallowed by (new or existing) oligopolistic commercial forces, he nonetheless goes on to argue that:

> the ability to participate in the production of televisual content and do so beyond the institutional, market, and technological controls of the twentieth century […] is a source of hope that there lies something within our grasp beyond a society moulded to the demands of capital. (240)

Given the analysis in the book I could not see how Strangelove reached this conclusion despite repeated claims that the future is uncertain. This statement seems more a hope, a call for action than a definite conclusion.

Post-TV focuses on developments in the United States and Canada. It is probably for this reason that Public Service Broadcasting (PSB) is not examined except for a brief mention in relation to news (223). *Post-TV* then presents a dichotomy between a dominant commercial traditional television order being 'the DNA of capitalism' (236) and the possible alternative that online television can offer. I believe that the inclusion of PSB into the discussion, its independence from political and commercial interests, public service values, and free-at-the-point-of-use access to content and services, would have qualified some of the arguments.

Overall, I enjoyed reading *Post-TV*. It is an extremely accessible and clearly written book that covers a very topical issue from various perspectives. It is an invaluable resource for anyone interested in the future of television.

CONTRIBUTOR DETAILS

Maria Michalis is Reader in Communication Policy. She has a background in political science and international relations and has a Ph.D. in Communication Policy. Her research interests are in the field of communication policy and regulation with a view to advance the understanding of how technological, market, social, political and ideological changes impact upon and are negotiated through power relations and structures as manifested in policy and regulation, primarily in the European Union but within a comparative context. Her current research interests include public service media; Internet regulation; and the interplay between the technological convergence of television and telecommunications/Internet, policy and business models.

E-mail: m.michalis@westminster.ac.uk

DIGITAL BROADCASTING: AN INTRODUCTION TO NEW MEDIA, BY JO PIERSON AND JOKE BAUWENS (2015)

Reviewed by Stephen Lax, University of Leeds, United Kingdom

I can remember the excitement when we bought our first colour television home. I was 16, and it was just in time for the Christmas TV watching binge. Some of today's undergraduate students will have been a similar age when their homes first got digital TV. I wonder whether they will remember it the same way in the decades to come. Well, now they have a book available to them to help explain what the fuss was all about. *Digital Broadcasting* offers a concise but wide-ranging introduction to the changes in broadcasting associated with digitization.

The account starts from two key premises, which prevail throughout the book. First, while digitization is producing fundamental changes in broadcasting, the authors explain that these are not simply consequences of technology but of technology's interaction with wider political, economic and cultural forces. This position is reflected through the succeeding chapters that consider production, broadcasting channels and audiences – in fact, digital technology per se is sometimes under-discussed as the descriptions explain the restructuring of the industry or changes in regulation that have taken place over the past couple of decades. Indeed, the book's title, like several of its chapters, could refer to the *era* of digital broadcasting rather than digital broadcasting itself. The second starting point argues that claims that broadcasting is dead, that these changes constitute some sort of revolution in production and consumption, are wrong. Pierson and Bauwens make the obvious points – often forgotten by more hyped-up commentators – that television and radio continue to play a fundamental role in cultural life, that they are accessible, they continue to attract large audiences, and that TV, at least, accounts for a significant proportion of all advertising expenditure. Thus, although the industry is certainly undergoing 'major, innovative and disruptive' change (3), this is part of a longer process of reconfiguration. Later chapters discuss, for example, the emergence of portable and personal radios and their influence on listening, while the video recorder and even the remote control had an influence on viewers' relationships with TV channels.

A chapter devoted to the history of broadcasting emphasizes the cultural and political context in which it developed. Drawing on Raymond Williams's 1974 account of the institutions of broadcasting and his insistence that there was nothing inherent in the technology of broadcasting that caused it to be used in a particular manner, they explain the role of amateur enthusiasts in establishing the idea of broadcasting and how manufacturers consciously sought to change radio from a male hobbyist's pursuit to a 'female-friendly' companion in the home. The differentiated roles of television and radio from the 1950s on, defined by patterns of consumption (group watching at home versus individual and outdoor listening), to some extent rehearsed present-day debates: individual versus collective, static versus mobile consumption, for example. Although the authors are careful not to overstate the parallels, they nevertheless point to the longer period of change in broadcasting they wish to emphasize instead of assuming stasis prior to digitization.

Having offered this overview, the book runs through a listing of how digital technology is implicated in changes in broadcasting, whether in production, distribution or consumption. So, for example, the growth in the number of distribution platforms challenges the traditional roles of programme maker and content distributor; business models are changed with more independent production and programme buying and selling; barriers to entry are, to some extent, lowered, although making television for a mass market remains expensive. Here, the account of the changes is a little frustrating as it reads rather like a list of events, without explanation of their context or cause. For example, the failure of high-definition television (HDTV) in both analogue and early digital times has an involved and deeply political economic history revealing key facets of the industry, and while Galperin's (1994) analysis of such developments might have been referred to, instead HDTV is almost mentioned in passing. As a highly concise introductory book (just 113 pages) this may be inevitable. Even so, given such space constraints, greater selectivity of the issues described might allow for more explanation. A description of integrated TVs and set-top boxes, interlaced versus progressive scanning, or multiple digital radio standards, for instance, might not be the most important points to include if that means omitting explanation and analysis. To state, simply, that Digital Satellite Radio 'failed the market test and did not survive' (44) is insufficient to the point of frustration. There is, in fact, a detailed and comprehensive guide to further reading at the end of the book (which includes reference to Galperin) and so the frustrated reader can readily find out more, but the brisk description of numerous key points (and equally brief reference to less important matters) can, at times, give a sense of under-developed analysis in favour of a desire to list each and every possible aspect of digitization.

Elsewhere, however, the book offers more in the way of explanation of developments during the digital era. Its discussion of the relationships between programme makers as professionals and users (aka the audience), though again brief, is stimulating and will give students plenty to think about – the book includes a number of directed points for reflection alongside case studies to aid its use in teaching. It offers a convincing and clear explanation why YouTube channels are not like TV channels (while of course TV channels today are not like they were a few decades ago, and TV and radio channels have long been distinct). This is a good moment to commend the authors for retaining radio in its definition of broadcasting throughout the book and reminding readers of its continuing relevance. Yes, the book is mostly TV focused, and all examples and case studies tend to be taken from TV. This is more or less inevitable since most students allege that they do not listen to radio and so how would they relate to illustrations drawn from radio broadcasting? Nevertheless, radio's role in broadcast life is frequently overlooked, acknowledged as such in the authors' note in the audiences' chapter that 'the field of radio audience studies is remarkably smaller [than TV]' (91) and it is welcome that students (and other readers) are reminded that, in addition to its longer history, radio broadcasting comprises a significant part of media consumption.

Overall, the book offers a good introduction to changes in broadcasting, both relatively recent with the adoption of digital technology, but also longer and more incremental, which have conditioned more novel developments. It is an excellent starting point for discussions with students, and those who take advantage of the comprehensive and helpful guide to further reading will learn a great deal about the current state of broadcasting, and a valuable lesson in locating change in its appropriate historical context.

REFERENCES

Galperin, H. (2004), *New Television, Old Politics*, Cambridge: Cambridge University Press.

Williams, R. (1990), *Television: Technology and Cultural Form*, 2nd ed., London: Routledge.

CONTRIBUTOR DETAILS

Stephen Lax is a Senior Lecturer in Communication Technology in the School of Media and Communication, University of Leeds, United Kingdom. His research interests include communication policy and emerging media technologies, and his recent work has been on radio, in particular digital radio. He is a member of the Digital Radio Cultures in Europe group and co-authored that group's 2010 book *Digital Radio in Europe* (Intellect). He serves on the editorial board of two journals, the *Journal of Radio and Audio Media* and the *International Journal of Digital Television*.

E-mail: s.e.lax@leeds.ac.uk

DISTRIBUTION REVOLUTION: CONVERSATIONS ABOUT THE DIGITAL FUTURE OF FILM AND TELEVISION
BY MICHAEL CURTIN, JENIFER HOLT AND KEVIN SANSON (2014)

Oakland: University of California Press, 260 pp.,
ISBN: 978-0520283251, p/bk, $29.95

Reviewed by Stephen D. McDowell, Florida State University, USA

Among the broad set of changes that television and digital television are undergoing are shifts in the modes of distributing programming to audiences. Distribution can include channels and forms such as theatrical exhibition, off-air television broadcasting, subscription cable television, on-demand television, purchase or rental of a physical copy, or purchase or rental of an electronic copy. Over-the-top or streaming of programming on the Internet rather than distribution through cable or satellite systems has attracted much attention in 2015. Alongside these changes are shifts in how people use, consume or view television. Appointment programming is only a part of the audience or user experience, as people can save shows on their own devices, or make use of services that provide shows on demand. Viewers use second screens as they watch programmes, providing for new interactive relationships among producers and audience members as well as new communities among audience members. New economic models are being tried out by producers and distributors, both to manage risk and to exploit new opportunities. This book therefore appears at an important juncture in a group of related industries, where technology platforms and devices for viewing and engaging programming, the patterns of audience consumption of programming and their rela-

tionship to content, information about the audience, economic models, and transnational connections, are all in flux.

Distribution Revolution takes an interesting approach in this fluid environment. The book provides a series of interviews with industry leaders, each of whom comes from different media production sectors. The interviewers ask about participants' views and analysis of what is happening with audio-visual distribution in digital networks, and what they and their companies are doing to both respond to and drive these changes.

The introductory chapter, by Michael Curtin, Jennifer Holt and Kevin Sanson, provides a very good overview of contemporary changes and stresses in different segments of the industry and places these in a stream of historical developments. This chapter sets the broad context in which the interviews take place. Historical context is very important here, as this is a period of uncertainty for many industry players. As Kurt Sutter says in the Foreword (which is composed of tweet-length statements), 'And like all things that change an industry, with great power comes the need for thoughtful reflection, fiscal and ethical responsibility. […] But this is Hollywood, so with great power usually just comes a better table at Toscana…'

The interviewees come from a range of industry perspectives, grouped as the 'studios', the 'upstarts' and the 'creatives':

- Among the 'studios' interviews are those with Gary Newman (20th Century Fox Television), Richard Berger (Sony Pictures Home Entertainment), Mitch Singer (Sony Pictures Entertainment), Kelly Summers (Walt Disney Company) and Thomas Gewecke (Warner Brothers Entertainment). What is notable about each of these interviews are the perspectives that arise from working from within a division within the larger entertainment production firms, showing the complexity of this industry. There are large areas of centralized control, budgeting and planning interacting with more local decision-making nodes, and with networked interaction with different external vendors and partners.
- The 'upstarts' interviews include those with smaller studios and producers, including Gail Berman (BermanBraun), Jordan Levin (Alloy Digital and Generate), Barry Scolnik (Scolnik Enterprises), Christian Mann (Evil Angel), Ted Sarandos (Netflix) and Anders Sjoman (Voddler). Voddler seeks to use a portion of each subscriber's hard drive to serve up movies and programmes to the entire network as needed, a kind of legal BitTorrent.
- In the 'creatives' section are interviews with Scott Frank (screenwriter/director), Paris Barclay (director/producer), Felecia D. Henderson (writer/producer), Stanton 'Larry' Stein (Liner Law), Patric Verrone (writer/producer and former president of the Writers Guild of America, West) and Dick Wolf (executive producer and creator of the *Law and Order* television series).

Distribution Revolution looks at a segment of the industry that is not often explored, that of modes of programme distribution and exhibition. This highlights questions that are fundamental to industry structure and operation. How does a programme actually reach the viewer? How do viewers use and view television programming? What does this mean for those who work in this sector? The answers to these questions are still evolving and uncertain, but they are related to every part of the value-added production chain. This

includes creative work, technology design, deployment and change, economic models in investment and sales, and intellectual property and rights management.

The book addresses a series of connected questions about television and audio-visual media. Rather than just talk about convergence, the book identifies and addresses a central challenge to the whole economic ecosystem of television and film production and use. As traditional modes of distribution and use of television programming change, this has implications for content and audiences, as well as for those involved in various stages in television programme production and distribution. The book captures and highlights some of the challenges facing the industry. Models of distribution that depended on lack of access to content except at specific times in specific channels, or on enforced content scarcity, are still in place, but viewers now have other options.

The editors are to be complemented for a number of things, including putting distribution and economic models at the forefront, highlighting the tie of distribution to storytelling and the audience experience, taking an integrated view, providing perspectives of those who are trying to figure out these changes while making decisions on a day-to-day basis.

The book takes distribution and economic models seriously. This is an area that may seem less sexy or interesting than audience research, technology studies, market analysis or policy research, but is an area of research that draws on each. However, the changes in distribution and ways that programming is made available to viewers are core to shifts both in production and viewing. The emphasis on distribution connects the creative and production sectors with the viewers, offering different types of viewer and audience choices, and different incentives for content production.

The tie of distribution to viewing and audience experience is not trivial, and new modes of distribution call for extensive audience research. For example, James Poniewozik makes the argument that watching a series in one sitting entails a new relationship with the story, and is much more like reading a novel:

> … the original series that Netflix, Amazon and their ilk release all at once, in full seasons – are more than simply TV series as we've known them. They're becoming a distinct genre all their own, whose conventions and aesthetics we're just starting to figure out.
>
> (2015)

Allan Sepinwall also notes that the shift to releasing serials and telling stories over a season has, in his view, led to slackness in plots in specific episodes:

> But when the story's not quite there, then those formless blobs intended as episodes become a real drag: necessary viewing to understand the overall plot, but not interesting viewing in the meantime, even as part of a day-long binge.
> This isn't a phenomenon limited to Netflix, Amazon, and Hulu shows, though. More and more – particularly on cable, but now even on many broadcast shows – dramas are being structured for marathon viewing, rather than the weekly schedule in which they originally air.
>
> (2015)

One point that is also very important here is the focus on spectacle and appointment television on the networks ('Tuesday night at 8:00') versus the building of a long tail of interest in programming, where an audience is built by social media promotional strategies, word of mouth and spreading comments. The relationships of audiences with programming may shape programming decisions and promotion strategies for some series.

The book takes an integrated view, in that it includes interviews with people involved in many different segments of television production and distribution. This is very important in a highly networked group of activities as a wide range of players with different skillsets add value to the programme .

We hear from people who are pushing and living through these changes, and making decisions that will affect both their own careers but in many cases the careers of others and the shape of the industry. The thinking of the participants – producers, creators and decision-makers – is important in that they have partial information since they work in one sector. They are also time bound, since the story and these developments are still unfolding. We hear perspectives from the inside of the operation in a specific time, rather than afterwards when more information comes with fuller development, or have company or industry-wide information at a more abstract level about the whole picture.

It is useful to think about digital distribution in the context of debates over disruptive innovation. There are some actors, such as Amazon and Netflix, who are clearly offering new models for programme distribution and viewing. However, the incumbent players (studios, networks, cable companies) are also driving some of these changes, exploring some new models while also seeking to protect the economic relationships that have been profitable to them over the long haul. There are different interests and goals among content producers, distributors, technology providers and audiences. There are still efforts to seek vertical integration, where audience purchase of a device might be tied to a distribution service and content availability.

The future will probably see a diverse set of digital distribution strategies. Theatres have enhanced their exhibition experience and studios have scheduled and promoted widespread releases so that the largest theatre box-office revenues were still being recorded in 2015 (*Jurassic Park* and *Star Wars*). Some shows still thrive in television schedules as well as in syndication. Sports events can still assemble mass audiences. At the same time, new modes of distribution and viewing have placed a fundamental challenge upon existing models, and are still being played out. *Distribution Revolution* has done an excellent job of highlighting important issues and questions in this unfolding story. The digital television research community would be well served if a similar collection can be produced again soon, or on an ongoing basis.

REFERENCES

Poniewozik, James (2015), 'Streaming TV isn't just a new way to watch. It's a new genre', 16 December, http://www.nytimes.com/2015/12/20/arts/television/streaming-tv-isnt-just-a-new-way-to-watch-its-a-new-genre.html?_r=0. Accessed 22 December 2015.

Sepinwall, Alan (2015), 'Why your TV show doesn't have to be a novel: In defense of the episode', 24 November, http://www.hitfix.com/whats-alan-watching/why-your-tv-show-doesnt-have-to-be-a-novel-in-defense-of-the-episode#sfesCMMLmKzx0e3V.99. Accessed 22 December 2015.

CONTRIBUTOR DETAILS

Stephen D. McDowell is a John H. Phipps Professor of Communication at Florida State University. He has a background in Economics and Political Science, and a Ph.D. in International Relations. His research interests are in the field of media policy, new media, international communication, Internet governance, South Asian media and intercultural communication.

E-mail: Steve.McDowell@cci.fsu.edu

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

FORTHCOMING EVENTS

Some diary dates for events of international interest in the coming months

The 2nd World Conference on Media and Mass Communication 2016
21–22 April 2016
Bangkok, Thailand
http://mediaconference.co/2016

12th World Media Economics and Management conference
2–6 May 2016
Fordham University, New York, USA
http://www.wmemc.org

INPUT: Television in the Public Interest Conference
8–12 May 2016
Calgary, Canada
http://input-tv.org/home

The European Media Management Association Conference 2016:
'Creativity, Competition and Uncertainty in Media'
2–4 June 2016
The University of Porto, Portugal
http://www.media-management.eu/conferences

International Symposium: 'Kick Starting Media: Cultures of
Funding in Contemporary Media Industries'
9 June 2016
Media Futures Research Centre, Bath Spa University, Bath, UK
http://www.media-futures.org/kick-starting-media-conference

The 66th ICA 2016 conference: 'Communicating with Power'
9–13 June 2016
Fukuoka, Japan
http://www.icahdq.org

IAMCR 2016 conference: 'Memory, Commemoration and Communication:
Looking Back, Looking Forward'
27–31 July 2016
University of Leicester, UK
http://iamcr.org/leicester2016

NOTES FOR CONTRIBUTORS 2016
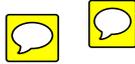
AIMS AND SCOPE OF JOURNAL

The *International Journal of Digital Television (JDTV)* is rooted in a belief in the sociocultural, political and economic importance of digital television and will conceive it as a platform for international and inter-disciplinary approaches that open up new avenues for theoretically driven, historically inclined works that occasionally draw on scholarship adapting case studies and comparative analysis. JDTV will continue inviting work on the growth of digital terrestrial, cable or satellite TV and broadband distribution as well as subjects such as the future of regional and local TV channels in an all-digital television systems and the use of the 'digital dividend' for additional broadcasting or telecommunications purposes. That said *JDTV* intends to widen its scope and invite contributions that address in a timely way the following:

- 'television after switchover'
- technological, industry and regulatory convergence
- audience behaviour, plurality of TV channels and television influence
- the extent to which new media developments and changing media consumption require changes in regulatory philosophy and business practice
- the extent to which globalization, privatization and deregulation alter the creative freedom and public accountability of media enterprises
- whether digital TV actually increases choice and diversity or just offers more of the same and/or recycled programmes
- concentration of media ownership and its effect on pluralism and diversity
- national debates about the role of public service broadcasting in the digital epoch
- comparative analyses of global TV formats
- television for children
- sports programming and televised sports rights.

SUBMISSION DETAILS

Contributions should include original work of a research or developmental nature and/or new ideas, presented in a clear and concise style. They should not be under consideration by any other publication. Major articles should normally be 5000 to 8000 words in length and shorter features and reviews should not normally exceed 3000 words. Major articles are peer-reviewed on an anonymous basis.

Contributions should be submitted electronically as an attachment to an e-mail to the editor, Michael Starks: address m.starks@ntlworld.com and must include metadata (requirements set out below) to assist the indexing and accessing of the material after publication.

Please try and avoid explanatory footnotes. Sources should be attributed in the Harvard style, i.e. mentioned briefly in brackets in the text (author + year: page) and listed in full under the heading '**References**' at the end of the article as follows: Author surname, Initial (year), *Title in italics*, Place of publication: Publisher. Thus, if the source is page 21 of Hernan Galperin's 2004 book *New Television, Old Politics*, the text reference should be (Galperin 2004: 21) while the full entry at the end should read:

Galperin, H. (2004), *New Television, Old Politics*, Cambridge: Cambridge University Press.

If the source is an article, the format is: Author surname, Initial (year), 'Title in single quotation marks', *Name of journal in italics*, volume number: issue number, page numbers (first and last of entire article). For example,

Iosifidis, P. (2006), 'Digital Switchover in Europe', *The International Communications Gazette,* 68: 3, pp. 249–268.

If the source is, or includes, a website, please add the date at which you accessed it, e.g. OnScreenAsia (2008), *Taiwan in Focus*, 1 April, http://www.onscreenasia.com/print.asp?id=2653. Accessed 25 May 2009.

The journal follows standard British English. Use 'ize' endings instead of 'ise'. Also 'analogue' and 'programme'. Articles should be written in Word, Times New Roman, 12 point. The title of your article should be in bold at the beginning of the file; bold is also used for headings and subheadings which should also be in Times New Roman, 12 point.

QUOTATIONS

Intellect's style for quotations embedded into a paragraph is single quote marks, with double quote marks for a second quotation contained within the first. All long quotations (i.e. over 40 words long) should be 'displayed'–i.e. set into a separate indented paragraph with an additional one-line space above and below, and without quote marks at the beginning or end. Please note that for quotations within the text, the punctuation should follow the bracketed reference. For a displayed quotation the bracketed reference appears after the full stop.

IMAGES

Pictures should be high resolution and are best submitted separately, with an indication in the text as to where they should be placed. Each image should normally have a caption.

METADATA

Please be sure to list embedded in your article:
- The Article Title
- The Author's Name and a short-form affiliation (e.g. Jock Given, Swinburne University, Australia)
- An abstract, summarizing the article in 100–150 words
- Five or six Keywords (e.g. digital, analogue, television, regulation, Japan)
- THEN THE ARTICLE ITSELF, followed by

- Full list of 'References' in the article
- A three sentence author biography

BOOK REVIEWS

Reviews need to contain the full reference for the book under review including the ISBN/ISNN number, number of pages, price and whether hardback or paperback.

COPYRIGHT PERMISSIONS

It is the author's responsibility to obtain copyright permission to quote and/or to reproduce images. The author retains copyright of their contribution and grants Intellect an exclusive license to publish, Intellect retains copyright of the PDF version of the article. The copyright license form should be completed and sent to the Editors to accompany every submission.